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19 April 1982

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2260

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CZECHOSLOVAKIA

CLOSER TU COOPERATION IN ECONOMY NECESSARY

Prague SVET PRACE in Czech No 3, 1982 pp 4, 5

[Interview with Ladislav Abraham, deputy chairman of the Central Council of Trade Unions [URO] and chairman of the Slovak Trade Union Council [SOR], by Marica Filipicoval; date and place not specified]

[Text] The overall course of rendering account by our trade unionists at the annual membership meetings and conferences, demonstrates that most of them view the period of preparation for the 10th All-Union Congress as primarily a time for action. They consider the results of their work soberly, do not overestimate their successes, are critical of their own shortcomings, and healthily ambitious in formulating their tasks for the future. Their effort to get personally involved in our social life is not a phenomenon limited by time or place, it rather represents a characteristic trend. To find out the meaning of this, we talked prior to the Slovak ROH [Revolutionary Trade Union Movement] Congress with Ladislav Abraham, Communist Party of Slovakia Presidium member, deputy chairman of the URO, and chairman of the SOR.

[Abraham] This activism is objectively motivated. The goals set forth by the communist party and trade union congresses, stem from the real needs of our society and represent the interests of all our working people. The importance of becoming directly involved also confronts the unions with certain obligations, since it is precisely through the trade unionists that the working people participate in the formulation, implementation and control of national policy. The trade union programs in the period just elapsed were best expressed by the ROH annual work plans which provided a unified contribution of trade unionists in the fulfillment of the programs of the 15th CPCZ Congress and the Ninth All-Union Congress, in the development and strengthening of socialist democracy, union care for the working, social, health and living conditions of the working people, intensifying their socialist fervor, development of international activity and the internationalist obligations of the unions, as well as higher effectiveness in their work. The fact that the working people have adopted these goals as their own, is attested to by their implementation in basic organizations in terms of unquestioned support for the 16th CPCZ Congress program, approved at the 12th URO Plenum as the unions' own. In the period which followed, union organs focused their labors on raising the quality and effectiveness of union activity, and proceeded systematically in its evaluation and control. More purposefully than ever before, higher union organs helped the lower and basic organizations, and applied the method of a differentiated approach. In creating political and organizational prerequisites for the holding of the annual membership meetings, we emphasized concreteness and focusing on the tasks confronting us and on a correct selection of cadres. We can note with satisfaction that the annual membership meetings and conferences in their resolutions applied the thrust of the 16th CPCZ and CPS congresses correctly, readily and responsibly.

[Question] This was also confirmed in discussions which often ranged from annual assessment of union work all the way to specifics in a given workshop, and culminated in constructive proposals on how to improve this or another shortcoming. Since the Law on the State Plan of CSSR Economic Development for 1981-85 shows that developmental factors are undergoing a fundamental change, the area of economics became a rich source of discussion themes. We should remember that the national revenue in the SSR is to grow 12 to 18 percent, especially as a result of the faster growth of industrial production, which is to grow 18 to 25 percent. In what manner can the trade unionists best contribute to the practical implementation of this legislation?

[Answer] Even in the past, we have striven in union work to use tried approaches in promoting the interests of society as a whole. Their effectiveness is documented by the fact that, since the last Slovak ROH congress, we have achieved further growth in development of the individual forms of worker participation in production management. Since we have as yet not managed to apply in broad measure the method of forward-oriented anticipatory planning, we must promote more energetically the production consultations at work sites as a means of strengthening the authority of the state plan, and to make sure that we eliminate from these meetings all undesirable manifestations of formalism. Given the large number and mass nature of these meetings, we now need to improve their substantive level and increase the specificity of their focus. For is is precisely these meetings which put the working people in a position to help rectify shortcomings in the organization of work and contribute to savings in production and quality of goods, and achieve a smooth tempo in production, balanced utilization of working hours and purposeful orientation in accepting correctly formulated socialist pledges. We must also fully respect the social significance of collective contracts. By and large, the tasks contained in them are being fulfilled and the results are regularly and publicly verified. As a consequence of surviving erroneous relations between certain economic and union officials, however, all too infrequently do we see correct measures applied in cases of nonfulfillment of tasks. We must not forget, not in a single workshop, that the collective contract--this important political, economic, social and legal instrument--is a mutually binding document which significantly aids in deepening socialist democracy, firm lawful order, dedicated labor discipline and comradely mutual relations in an organization. An important place is held in our economic policy by labor initiative and socialist competition. We should emphasize that adopting pledges stems primarily from key tasks in production, construction, and services. The common denominator for the Seventh Five-Year Plan is higher effectiveness and quality, high technical level of production, growth of export potential in our economy, added value and savings in raw and other materials, fuels, energy and higher productivity of labor. In this connection, we should also bear in mind the strategic position of science and technology. Creative technical workers initiatives must not be marred by individual carelessness, insufficient concern in economic organs for progress and utilization of the inventors and innovators movement. The unions must more consistently resort to their right of social control over adherence to lawful norms in processing, implementing and rewarding innovative proposals or inventions, and make certain that the plans of scientific and technological development are focused on the resolution of specific tasks within the strategic goals of our economy. We must achieve a fundamental turn in organizing socialist initiatives in the preproduction stages, notably through creative individual and collective plans of engineering, technical and management personnel. Making full use of the economic, scientific and technological cooperation with the CEMA countries, especially the Soviet Union, also offers immense opportunities for the development of international socialist competition. We must state emphatically, however, that socialist initiative should not serve to compensate shortcomings in management. Its organization, therefore, requires a purposeful and targeted approach.

[Question] Participation in the formulation, implementation and control of ways to fulfill the plan as a condition for a further advance in all spheres of our life, however, presupposes great exactingness in a coordinated approach of party, state, economic and social organs and organizations.

[Answer] Since 1980, the SOR and the Slovak Government have been adopting joint measures to ensure the principal common tasks of the annual implementation plans, and regularly verify and evaluate the results. Following the 16th CPCZ Congress, cooperation among state, economic, and union organs was intensified. We want to reach a point where such cooperation is systematically carried out at all levels of management, all the way to plants and enterprises. In connection with this question, we must always remember that the purpose of all our public endeavor is to satisfy the material and spiritual needs of the population and to further strengthen its living and social certainties. A common goal binds all of us equally. The ROH work plan for the period between the 16th CPCZ Congress and the 10th All-Union Congress, specifically anticipates that regular mutual consultations among union, state, and economic organs in all plants and organizations, will become a permanent feature of our work and joint approach to meeting the national economic tasks. With correct understanding of the economic function of trade unions, we should not encounter conflicting views on the role and obligations of economic organs and those of trade unions in the process of organizing socialist competition, the innovators movement, production consultative meetings, etc. Besides, the rights and responsibilities of all the respective organs are precisely spelled out in valid documents. We should add that the cooperation among organs of union, state, and economic management is also gradually taking shape and is improving. Consistent fulfillment of the union's dual role demands that trade unionists in its implementation find ways and means commensurate with the demanding goals. At the present time, it appears essential to adjust relations of trade union organs of all echelons with the respective organs of state and economic management in a manner which would allow the unions to fulfill their mission on a qualitatively higher level, one corresponding to the present stage of development.

[Question] So far, we have spoken primarily of worker participation in the formulation, implementation, and oversight of plan fulfillment. On what should the coming Slovak ROH Congress focus its attention with respect to the honorable role of the trade unions to satisfy the labor and social needs of the working people, in other words, to be their school of socialism?

[Answer] One is closely related to the other. The "Set of Measures," on the one hand, places strict criteria on individual performance, on the other, creates conditions for a progressive formulation of wage policy which calls for a closer linkage of wages with the social productivity of labor, quality, technological level, thrift and overall effectiveness. Economic incentive based on the merit principle presupposes a consistent application of intraunion and intraenterprise khozraschet, along with thorough simultaneous revaluation of the formulation of basic standards. It is precisely in connection with these questions that we are witnessing the emergence of a concrete need for comradely cooperation of trade unionists with state and. economic organs since, in order for collective and individual economic incentive to function, we must purposefully create proper conditions. We must sufficiently emphasize that advocacy of a differentiated wage system must be backed by a thorough awareness of the needs of individual work sites, and that changes in rewarding will achieve their desired effectiveness only if they are clearly understood by those whose interests are directly involved. Fulfillment of economic tasks must in every respect be related to improved working and living conditions and to the protection of the interests and rights of the working people. We must more forcefully implement measures to reduce the number of high-risk work sites and demand more consistently that tasks in the development and production of protective labor devices be met. Questions of catering services, improvement of working and living conditions for women employees, care for the working peoples health, these are all areas where ROH members and officials have not only an opportunity but also an obligation to influence conditions creatively and with initiative, to secure improvements in accordance with the rights which are given them by our socialist system in the sphere of social oversight.

[Question] Given the qualitatively higher demands of the national economy, it is inevitable that there will also be more need for mass political education, particularly political organizational work by the unions. What lessons must we bear in mind as we enter the coming period?

[Answer] The past 4 years have been characterized by a considerable effort by trade union organs and organizations to intensify and make more effective their mass political and ideological educational operations. The unions' contribution in the formulation of a scientific world outlook and in economic education has increased. We now use more effective methods in the sphere of propaganda and agitation, and we have enhanced the educational role of worker collectives, notably the Brigades of Socialist Labor. This is the result of a targeted approach to meeting the educational responsibilities of the trade unions, and a better system of specialized education in the SSR. In the precongress period, more than 80 percent of ROH members and officials are participating in professional training programs. However, there is still room for improvement. The focus and substance of ideological and political mass education must be responsive not only to present but also long-range needs of production and social practices; the substantive orientation must be closer to the conditions in plants, enterprises and individual work sites; it must avoid generalization and lack of specific targeting, thus increasing its attractiveness and effect. Intraunion activity in this field is also characterized by viewing various phenomena in their proper perspective. Despite certain positive results achieved in this area during the period just elapsed, we have not yet succeeded in eliminating all the shortcomings in our style of work. Trade union organs do not always provide basic organizations with sufficiently differentiated assistance in the resolution of concrete problems which the working people have been subjecting to criticism, not once but repeatedly. We must not allow the fulfillment of tasks in individual components to be hampered by unnecessary administrative burdens and organizational heavyhandedness. In the coming period, we must focus even more attention on improving the work of basic organizations, better political operations in trade union sectors, in membership meeting discussions, and also on improving the political and professional qualification of employees and officials of the trade union apparat. Effectiveness of trade union operations must also be raised through more intensive division of labor among all-union and branch organs, in management and coordination activity, and in the level of cooperation with state and economic organs. Yes, the tasks are indeed many. However, the knowledge that we are not alone in the effort to carry on the revolutionary character of the unions reflecting the needs of the times, gives us new strength, as well as new responsibility. We will continue to draw on the experiences of trade unions in the other socialist countries, especially the practical experiences in the Soviet Union, which inspire us not only through positive concrete examples, but also by the exacting standards and critical posture toward their own performance. Qualitatively, the new requirements which characterize the development of our society, also lawfully place upon the trade union movement new demands with respect to their work and social responsibility. The precongress activity expressed in many highly valuable, in the true sense of the word, heroic acts performed in honor of the 10th All-Union Congress, provide eloquent testimony that our working people are aware of these responsibilities to the fullest extent.

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MEASURES FOR MORE EFFECTIVE HEAT GENERATION STUDIED

Prague HOSPODARSKE NOVINY in Czech 12 Feb 82 pp 8-9

[Article by Eng Miroslav Kubin, Candidate for Doctor of Science, general director of Czech Energy Plants: "Generating Heat More Efficiently"]

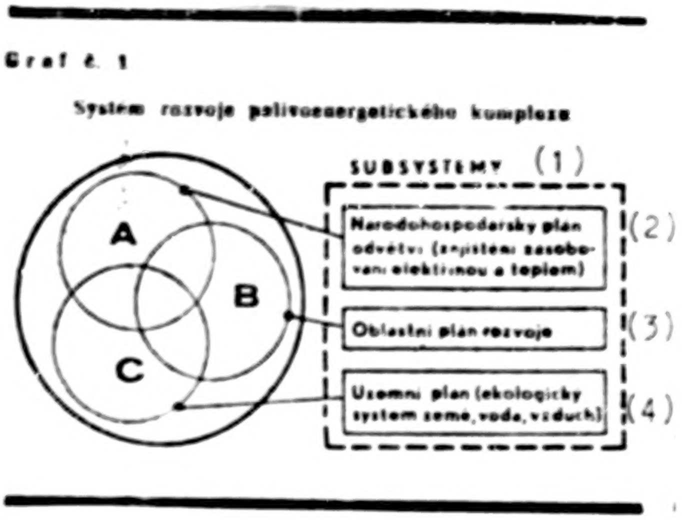
[Text] The conservation program for the development of the fuel and energy complex and the new situation in enriched fuel supplies for the national economy place in the foreground once again issues of heat supplies. It is particularly a matter of making more effective use of the low-efficiency heat used currently for heating purposes, and of creating the conditions for the implementation of rationalization measures.

The fuel-supply situation demands that heat generation systems in newly constructed facilities be designed, for practical purposes, solely on a base of brown coal and natural gas. At the same time, it is essential to implement those measures which will make possible the utilization of nuclear power plant construction to rebuild condensational electric power stations as heat-generating plants and, likewise, to reduce electricity production based on fuel oils, thereby freeing an essential minimum of these fuels for the development of heat production.

A Comprehensive View of Economic Efficiency

The development of the fuel and energy complex, as represented by branch national economic plans, must respect, primarily, the following criteria: the primary-resource balance; the accessibility of primary resources at home and abroad; international cooperation on energy questions; the efficiency of individual primary resources in relation to national income formation; the comprehensiveness of energy utilization; the efficiency of replacement assurance, of the development of resources and of energy transmission, and of subsystem optimalization (the electrification system, gas); the feasibility of the program, given the production and technological capabilities of the national economic plan, etc. The transformation of the activity of the entire society into a solution of this task, in the form of branch national economic plans, is depicted in Graph 1 as subsystem A.

Graph No 1 Development System of Fuel and Energy Complex


Graf č. 1
Systém rozvoje palivoenergetického komplexu
SUBSYSTÉMY (1)
A
B
C
Národohospodářský plán odvětví (zajištění zásobování elektřinou a teplem) (2)
Oblastní plán rozvoje (3)
Územní plán (ekologický systém země, voda, vzduch) (4)

Key:

1. Subsystems
2. Branch national economic plan (assurance of electricity and heat supplies)
3. Oblast development plan
4. Territorial plan (ecological system of land, air, water)

Upon transformation of fuel and energy development to area (subsystem) B, a number of additional criteria come to the fore; the assurance of spatial conditions for construction; interdependence with the infrastructure; the work force balance; the assurance of housing construction, of citizen amenities, of nonproduction services, of the demands which will be placed during oblast development, i.e., by industry and the population, on the consumption of energy and on the structure of primary energy resources; the optimization of energy bearers; the utilization of waste energy; the optimization of low-efficiency heat supplies.

Subsystem C represents social activity which, above all, protects, through the mechanisms of territorial planning, the ecological system, the land, water and air, thereby constituting an important element in the management of the environment and for the satisfaction of social needs. Activity in this area concerns primarily proper placement from the view of territorial planning criteria; the pollution of the water, air and soil with waste solids and gaseous emissions; heat pollution of the atmosphere; noise pollution; the annexation of agricultural and forest land; structural stress caused by landscape changes (coal mining, bodies of water, transportation routes); the choice of wasteless technologies; the efficiency of resultant measures (desulphurization).

The optimal coordination of subsystems A, B, and C represents the most efficient source of rationalization. The mutual ties among the subsystems must be precisely defined and quantified, and it must be made clear that rationalization at the branch level is still not necessarily optimal from the viewpoint of the entire society. Under no circumstances is it adequate to judge a variant solely on the basis of the same energy effects. Likewise, it is not permissible to exchange a valuation of individual subsystems (or elements) for, or to equate this with, a valuation of the efficiency of the entire system. An optimal resolution for subsystems A and B, without relationship to C, still does not mean an optimum for the system.

For example, the choice of a construction site for an electric power plant is tied to all of the subsystems, A, B, and C. The fact that in the Central Bohemian Kraj only the relationship between subsystems A and B was optimized (the transport of fuels, etc.) meant that serious problems arose in subsystem C (atmospheric quality, ash storage, etc), which are having to be dealt with subsequently by means of costly investment. A sulphur dioxide concentration in excess of the recommended value of 0.06 milligrams per square meter occurs in the CSSR over only a small area and has an impact on only a relatively small proportion of the population. Nevertheless, it is proving necessary to resolve this problem subsequently by desulphurizing the exhaust gases of electric power plants, which represents additional investment outlays per unit in the amount of Kcs 1.[illegible] billion, and an increase in actual electrical energy consumption of [illegible] percent. This problem could have been solved more economically through improved distribution of sulphur dioxide sources which generate high levels of emissions and those sources which produce low (background) emission levels. As a result of a limited amount of coal, and a consequent reduction in the production of electrical energy at traditional power plants, it appears possible in the future to allocate production to individual power plants in such a way as to achieve the most balanced possible distribution of sulphur dioxide concentration (with a higher pollution level for the Chvaletice power plant), which is more desirable than solving the problem through investment.

Likewise, in resolving heat supplies with the assistance of oblast systems, it is possible to achieve optimal effects in subsystems A, B, and C and thereby in the entire system. It is a paradox that while the use of centralized heat supplies significantly improves ecology (air quality) due to the liquidation of a significant number of sources with low emission levels, which have the greatest negative effect on the environment, and the assumption of their function by central sources of supply (i.e., sources with high emission levels and great diffusion of sulphur dioxide and nitrogen oxides), it is precisely these sources which are hampered with emission penalties, and not the opposite. Measurements made abroad of the percentage of emissions of sulphur dioxide and of nitrogen oxides by industry, transportation and the communal sphere indicate that the development of sources generating high emissions levels does not represent any additional pollution above emissions standards, provided that their territorial distribution is proper. The rebuilding of power plants as heating plants has, therefore, a clearly positive effect.

The necessity for cooperation and optimization in sectorial, oblast, and territorial planning is also emphasized in the directive entitled The Main Directions of the Economic and Social Development of the CSSR for 1981-1985, which was approved by the Sixteenth CPCZ Congress. It is also a reality that the last world energy conference, held in Munich in 1980, also held discussions couched in terms of a resolution of cooperation among the three above subsystems.

To achieve optimalization in individual subsystems, it is likewise necessary to evaluate a number of factors. For instance, for subsystem A the following must be considered:

--The comprehensiveness factor of energy conversion, which characterizes losses over the entire chain of energy transformation (the extraction and transportation of fuel, its transformation into energy, the utilization of this energy), and which it is essential to minimize. This requires the proper design of individual links in such a way that unnecessary losses do not arise within them. For instance, the transportation of fuel must be properly planned, boilers must be designed to accommodate the expected heat values of fuel, at least over the middle range of their useful life, and the like.

--The comprehensiveness factor of energy utilization which, in comparison with the preceding factor, evaluates the utilization of the working properties of primary resources so that the energy in the fuel may be maximally utilized for the performance of work and so that waste, in the form of unused heat, be kept to a minimum or, alternatively, so that the level of utilization of waste heat for the heating of spaces may be examined. It is a matter of assuring the maximal energy efficiency of the entire process.

--The utilization factor of renewable resources, which determines the ratio of renewable resources to total resources (i.e., the sum of renewable and nonrenewable resources), which has great significance especially for heating, that is, the obtaining of low-potential heat.

It is necessary to determine the economic and social impact and demands on subsystems A,B, and C for individual variants of heat supplies with the same use effects. An acceptable resolution is simply the one which results in a minimum of overall transferred costs.

The Cogeneration of Electricity and Heat

Despite the advantages possessed by this method of obtaining low-efficiency heat (and which were described in detail in HOSPODARSKE NOVINY, No 49/1979), we are limited with regard to the utilization of primary resources mainly

--by the density of the heat load in megawatts per square kilometer, i.e., by the concentration and magnitude of heat consumption;

--by the possibilities for rebuilding existing condensation power plants as heating plants (the technical problems in this have been resolved for 50-, 100-, and 200-megawatt units);

--by the assurance of backup capacity for the electrification system;

--by the locating of sources of cogenerated production in such a way that they are at consumption centers (localization is for the most part favorable, because of favorable historical circumstances);

--by the relationship of delivered volumes of heat and the distance of consumption from the source, and possibilities for forming an oblast system;

--by the optimization of metals consumption, and by demands on machinebuilding and construction facilities;

--by the consumption of one-time investment resources (investment intensity).

This implies that overall economic efficiency (i.e., the magnitude of the transferred costs and feasibility under the national economic plan) is the decisive factor in deciding which variant will be chosen (localized or centralized heating, heating plant or power plant heating, etc.). In large agglomerations (Prague, Brno, Ostrava, Bratislava, the basin region of North Bohemia, Pardubice-Hradec Kralove, and others), the solution is clear, due to the fact that in these localities it is possible to rebuild an electric power plant as a heating plant, because heating plants already exist here.

So far, however, adequate consideration has not been given in this decision-making model to the fact that existing heat sources are becoming obsolete, and that it will be necessary to renovate and rebuild them to operate on lower quality fuel. This will be true even in the event that future consumption demand for heat will, basically, not increase as a result of rationalization measures. In addition, there is the necessity for burning nonbudgeted, high-ash fuel with a heat value of 1,800-2,200 kilocalories per kilogram. It is impossible to economically rebuild existing boilers to handle this fuel, meaning that newly designed boilers will have to be used, specifically boilers utilizing a different ignition principle (a fluid firebox), and which are still in the development stage.

The expansion of heating plants to additional localities and the long-distance supplying of heat depends on the optimization of at least the main factors. The distance, L (in kilometers), over which it is possible efficiently to transmit heat, increases with thermal output and the temperature gradient. However, in most cases which are coming under consideration, overall steel consumption for centralized supplying is not greater than for localized resolutions.

From the perspective of the construction of oblast systems, the heat-bearing medium will without doubt be hot water. Here it is necessary to resolve as well a whole series of issues, above all from the economic efficiency point of view, such as:

--the choice of a temperature for the water in the grid which is optimal considering the transmission distances;

--the expansion of the range of utilizable water temperature for the consumer by cooling return water to the ambient temperature through the utilization of high-surface-area elements, and potentially of heat pumps, which will lead to a reduction in the diameter of the transmission pipes, of investment outlays, of thermal losses from the volume of circulating water, of pumping work, and also to an economization of the heating cycle at the source;

--the conversion of existing steam grids to water grids,

--the optimal choice of transmission systems, single-pipe, double-pipe, and triple-pipe.

New Possibilities

The transformation of primary resources into electricity or into heat for heating, takes place as follows:

--To obtain electrical energy, we transform the chemical energy of a fuel in such a way that we first produce high-efficiency heat in a boiler, which is then converted in a turbine set to electrical energy. During this process, losses arise in the form of waste heat which may be utilized for spatial heating. It is possible, in the cogeneration of electrical energy and heat, to utilize the heat contained in cooling water, introducing it into a heating system, instead of into the environment, with the aid of a heat exchanger.

--For the assurance of various technical processes (in metallurgy and chemistry), we transform primary resources into high-efficiency heat. Likewise for these processes, waste heat is a byproduct which may be appropriately utilized for spatial heating.

--Finally, we transform primary resources into low-potential heat for heating purposes directly. If the objective is heat for heating, the temperature of which is only 30-40 degrees Celsius above the ambient temperature, the thought clearly occurs to us that it might be feasible to obtain this heat in some other way than by combustion at 1,200 degrees Celsius. The burning of coal in furnaces and boilers to obtain heat for heating is, actually, the thermodynamically least efficient procedure (with the lowest energy efficiency).

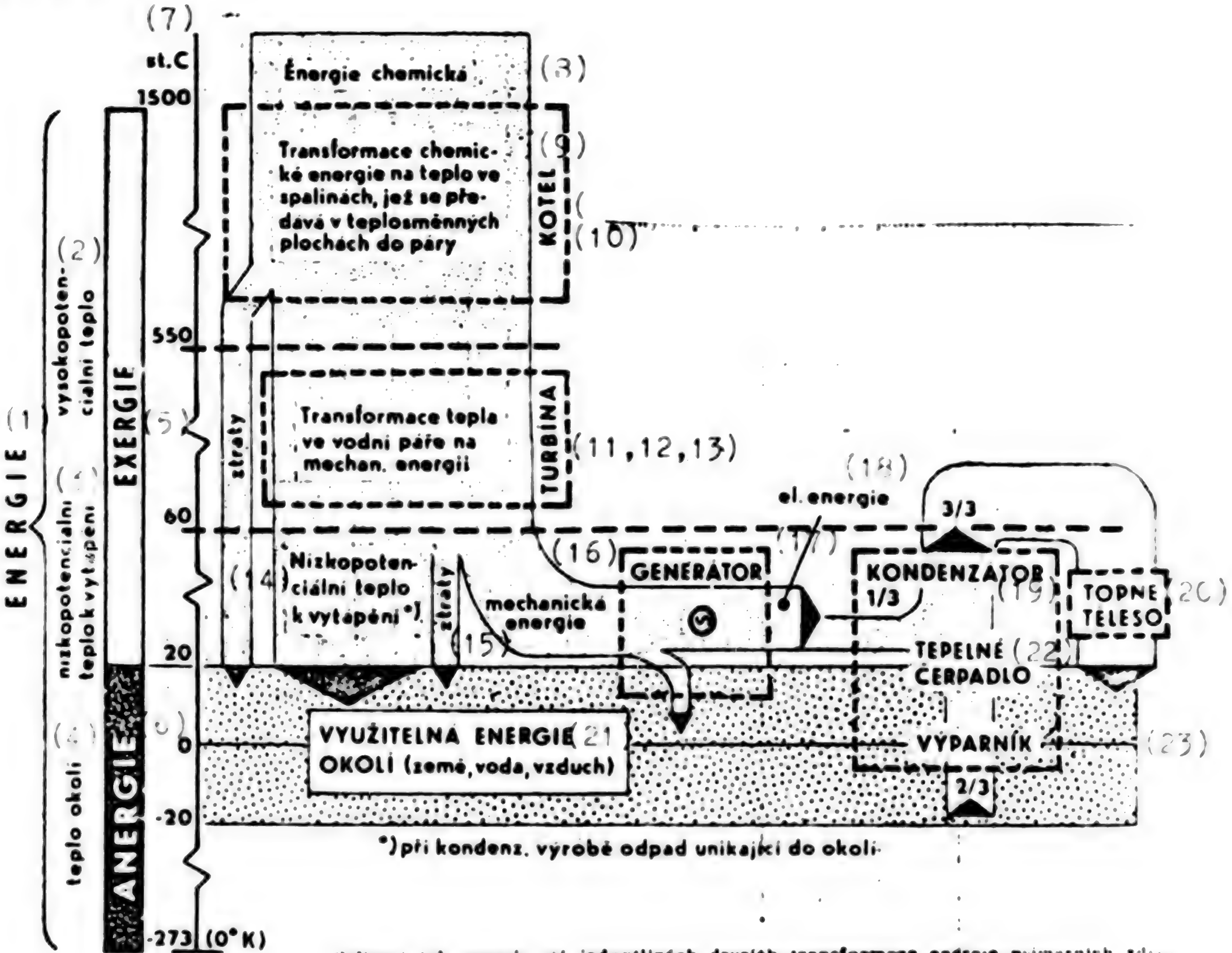
--In addition to the direct production of low-efficiency heat, and the utilization of waste heat from the generation of electricity or from other technical processes, there is still another possibility for obtaining low-potential heat in a totally unconvential manner--with the aid of heat pumps from thermal energy and the environment.

The overall flow of energy for specific types of transformation of primary resources into energy is depicted in Graph 2. So as to better understand this principle, let us remind ourselves that the value of energy lies in its ability to perform work. Energy is composed of two parts--potential and residual. Exergy is that part of energy which is capable of performing useful work, i.e., that part which may be transformed, changed to another form of energy. The remainder is residual, in other words that part which is not capable of performing useful work. When energy is converted into heat, exergy is gradually lost, until finally all the energy is degraded to heat with a temperature equal to that of the surroundings (residual). Our environment (land, water, air) therefore represents a reservoir containing an infinite amount of low-efficiency heat which it is impossible to convert to do mechanical or electrical work. It is, however, possible with the aid of heat pumps to convert it back into heat at a higher temperature (about 60-70 degrees Celsius) for spatial heating.

Heat pumps are produced on the principle of compression (whether powered electricity or by an internal-combustion engine) or sorption, the same as refrigerators. Heat is pumped either from the environment (land, water, air) at a temperature range of plus 20 to minus 20 Degrees Celsius, or from the waste heat

Graph 2. Overall Energy Flow for Specific Types of Energy Transformation From Primary Resources.

Graf č. 2


(7)
st.C
1500
550
60
20
0
-20
-273 (0°K)
Energie chemická (8)
Transformace chemické energie na teplo ve spalinách, jež se předává v teplosměnných plochách do páry (9)
KOTEL (10)
Transformace tepla ve vodní páře na mechan. energii
TURBINA (11,12,13)
ENERGIE (1)
vysokopotenciální teplo (2)
nízkopotenciální teplo k vytápění (3)
teplo okolí (4)
EXERGIE (5)
ANERGIE (6)
ztráty
Nízkopotenciální teplo k vytápění *) (14)
ztráty (15)
mechanická energie (16)
GENERATOR (17)
el. energie (18)
3/3
KONDENZATOR 1/3 (19)
TOPNE TELESO (20)
TEPELNÉ ČERPADLO (22)
VYUŽITELNA ENERGIE OKOLÍ (země, voda, vzduch) (21)
VÝPARNÍK (23)
2/3
*) při kondenz. výrobě odpad unikající do okolí

Celkový tok energií při jednotlivých druzích transformace energie primárních

Key: 1. Energy: 2. High-potential heat: 3. Low-efficiency heat: 4. Ambient temperature: 5. Potential: 6. Residual: 7. Degrees Celsius: 8. Chemical energy: 9. Transformation of chemical energy into heat in combustion byproducts, which is converted to steam at heat exchanging surfaces: 10. Boiler: 11. Losses: 12. Transformation of heat in steam to mechanical energy: 13. Turbine: 14. Low-efficiency heat for heating (waste escaping to environment during condenser generation): 15. Losses: 16. Mechanical energy: 17. Generator: 18. Electrical energy: 19. Condenser: 20. Heating element: 21. Utilizable environmental energy (land, water, air): 22. Heat pump: 23. Evaporator.

of cooling waters of electric power plants and other technical processes. A combination of heat production for spatial heating with the production of cold (in agriculture and the foodstuff industry) is especially appropriate. If one combines heating with the aid of heat pumps with traditional means of localized heating, one is speaking of bivalent heating. If one introduces combination heating by separate heating systems (low temperature and high temperature), for instance with a heat pump to cover the basic load requirements and electrical heating to cover peak periods during greater declines in outside temperatures, then one is speaking of hybrid systems.

In connection with the introduction of heat pumps, the question has been raised as to their effectiveness in comparison with the cogeneration of electricity and heat, i.e., the following variants have been juxtaposed:

A. The cogeneration of electricity and heat and the transmission of heat by hot water (110 to 150 degrees Celsius) to the consumer (or to exchanger stations) by a two-pipe system.

B. The condensational production of electricity with the cooling of the condensate handled in such a way that the heated cooling water (with a temperature of 25 to 50 degrees Celsius) does not return to the river from the power plant (where it would unnecessarily warm the water--thermal pollution), but is distributed either along a race, or through a single uninsulated pipe (thermal losses are slight at these low temperatures) to the consumer, where its energy is transformed with a heat pump to the higher temperature of 60 to 70 degrees Celsius, so that it may be used for heating. The working name "cold heat" has been adopted abroad for conversion principles at low temperatures. Its technical aspects have been worked on, and it is being used in a number of instances, for example to heat a swimming pool about 5 kilometers from the power plant (the Arzberg power plant in the FRG).

The result of sophisticated expert calculations may not be laid out in detail in this article. Generally, however, it is possible to state that the cogenerated production of electrical energy and heat is more economical than the use of heat pumps. The thermal factor (i.e., the ratio of the thermal energy provided for the heating system to the electrical energy inputs) is approximately 8 to 10 for cogeneration, while for heat pumps we are achieving a value of 2 to 5, depending on the temperature of the heating system (with an increase in temperature, the thermal factor declines and, therefore, we attempt to heat with elements having a large surface area, radiators, which provide a large amount of cooling and a low initial water temperature) and, in addition, depending on the temperature of the medium from which we are extracting the heat (waste water, cooling water, ground water, the land, the air). The lower the temperature of the medium, the lower the thermal factor.

Likewise, from the viewpoint of primary-resource-consumption, heat pumps are also less economical than the cogeneration of electricity and heat. Heat pumps have their own indispensible place, for instance, in insulated systems (family homes), where they may produce both heat and cold, in the utilization of waste heat, and the like.

C. An optimal solution, however, requires the use of both technologies simultaneously in such a way that the heat in the return water of a hot-water distributor is still utilized by connecting it to heat pumps. The output water from the heat pumps is either returned to the primary system, or to an independent circuit of consumers.

Cogeneration Facilities, Heating Plants, or Heat Pumps?

If, from the viewpoint of primary resources the installation of heat pumps, particularly in conjunction with the cogeneration of electricity and heat, is so desirable, and if it is possible to draw upon infinite heat resources in the environment (land, water, air), especially since this seems very economical, then why are these possibilities not being utilized to a greater extent? From the analysis presented in Graph 3 it follows that the greatest efficiency is achieved through a combination of various methods of supplying heat.

Investment intensiveness and, therefore, also total social costs do not, however, correspond to the desirability of specific combinations of heating supplies from the primary-resource viewpoint. Optimization must be determined specifically for every case. In addition to the above-mentioned factors, a decisive consideration is, in particular, the accessibility and price of primary resources, the accessibility and potential for utilization of waste heat, the accessibility and potential for utilization of energy from the environment--the land, water, air and geothermal energy.

--For instance, investment outlays for heat pumps change with capacity, meaning that low-capacity heat pumps (10-50 kilowatts) require outlays of Kcs 3,000-6,000 per kilowatt, whereas these outlays decline by one-third for capacities of 300 kilowatts and above, a fact that is unfavorable especially for their use in family homes.

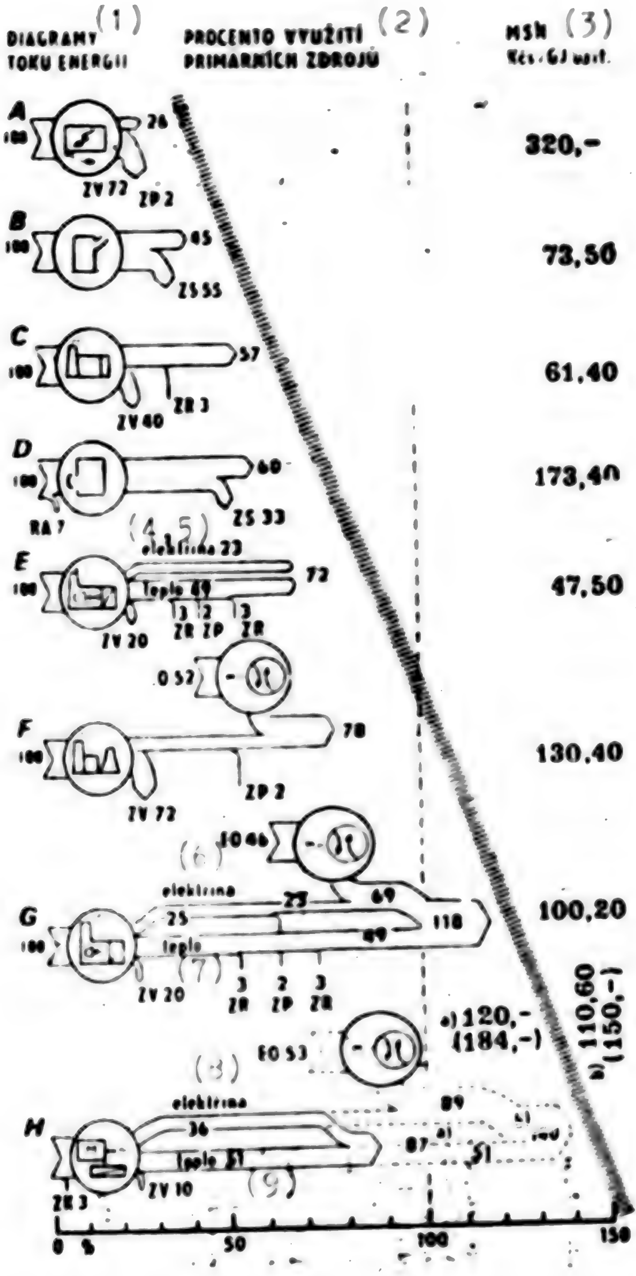
--In comparison with other localized heat sources (heat-storage stoves and the like), the investment outlays for heat pumps are currently several times higher.

--The apparently favorable combination of a heat pump driven by a gas turbine or diesel engine and the cogeneration of heat and electricity is likewise uneconomical from the viewpoint of total costs, to say nothing of fuel imports.

--The long-term storage of low-efficiency heat extracted from solar energy, or by heat pumps from waste heat, is too costly from an investment point of view. Dependence on average annual air temperature or sources of waste heat play a large role.

--Annual utilization and the average annual thermal factor are also critical for optimization. If the thermal factor reaches a value of 3, it is possible to demonstrate efficiency at the present time.

Graph 3. Examples of Possible Uses of Nonrenewable Energy Sources With an Expression of Projected Average Social Costs (MNS) per Unit of Heat Obtained at Point of Consumption



Key: 1. Energy flow diagrams: 2. Percentage Utilization of Primary Resources: 3. Average Social Costs (korunas per gigajoule of usable energy): 4,6,8. Electricity: 5,7,9. Heat. Utilization Methods: A-Local source run by electricity: B-Local coal-fired source: C-Remote heating from coal-fired heating plant: D-Local source fired by diesel fuel or heating oil: E-Heat and electricity from a cogeneration cycle from coal-fired power plant: F-Heat provide by heat pump installed at point of consumption: G-Heat and electricity from a cogeneration cycle from a coal-fired power plant, the produced electricity used to power a heat pump installed at point of consumption: H-Unit cogeneration source with motor

(Key continued on next page)

with internal or external combustion fired by gas (diesel fuel) with potential tiein to heat pump driven by electricity generated during cogeneration cycle.

Legend: ZV-Losses during electricity, heat production: ZS-Combustion losses: ZR-Losses during heat distribution: RA-Losses during refining of oils: ZK-Power for compressors: EO-Energy from the environment (air, water).

Despite the varying, often opposing, dependencies on numerous factors, the combination of heating with the aid of varying bearers of heat is very desirable both from the viewpoint of primary-resource consumption and overall social outlays. The technological equipment to cover basic load and transmission requirements may be designed more economically (heat distributors), in the sense that peak loads may be covered with other media (for instance, with electricity). Typically, at least one or two media are available, linked to the distribution system (electricity, gas, and in some cases remote heat from a central heat supply). The heat-consumption diagram may be efficiently broken down and modified. Calculations overall show the feasibility of these solutions, and their desirability in comparison with monovalent variants (strictly electric heat; strictly a central heat supply for a small megawatt per kilometer thermal density, and the like).

Barriers to Heat Management

Heat prices are currently not derived from the average social costs of the obtaining of primary resources, nor do they take sufficient account of the quality, the potential, of heat. The result is that the consumer does not attempt to obtain heat from less expensive domestic fuels, does not utilize secondary resources, waste heat. Instead of hot water, steam is used for heating.

In the past, when allocating the costs incurred in the cogeneration of heat and electricity between the heat and the electricity, this has been approached for various reasons in terms of a so-called caloric valuation, which takes no account of energy quality, and grants all the advantages to electricity. Even though the keying of costs is complicated, the valuation cannot be the same as if the heat were produced in a heating plant. The paradox arises, for instance, that we allocate 60-70 percent of overall costs to the energy in heating steam at condensation pressure, or to the condensate, even though this is practically without value; steam at a pressure of 0.05 megapascals is allotted a value of 80 percent, even though it has a use value, expressed as its exergy, of only about 30 percent. The potential method, which is to replace the caloric method, provides a proper valuation of heat according to its ability to perform work and, especially, a realistic valuation of low-potential heat.

The financing of rationalization projects aimed at primary resource conservation and, especially, at the utilization of nontraditional (renewable) resources is made easier in many countries with special subsidies. In our conditions, for instance, it is possible to receive a rationalization credit, which is, however, conditioned by a calculation of economic efficiency. As a result of the existing low level of wholesale fuel prices, it is impossible to demonstrate efficiency by calculations according to FMTIR [Federal Ministry of Technological and

Investment Development] guideline No 3/1975 (or even its updated version, which deals with coefficients of fuel limitations, by which fuel costs are, basically, made more "expensive"). This means that a significant portion of rationalities zation projects may not be implemented. Only by introducing substantially higher prices based on the average social costs of obtaining primary resources is it possible to demonstrate the positive impact of rationalization projects. The conflict between this khozraschet concept and its resulting responsibilities and a national economic conception must be resolved. Additional problems arise in the assurance of priorities in supplier-consumer relations. Rapid implementation also requires a simplified approach in the area of design preparations.

Likewise, there has not to date been a satisfactory resolution of the issue of the merging of assets, or of limits on newly initiated construction projects, and the like. Although there are sufficient possibilities for replacing heat from enriched fuels (heating oils, gas) with heat from a central supply, this has not been taken advantage of. It would be effective, in those instances where a consumer has the possibility of linking up to a central supply of heat and does not take advantage of it, to remove after a specific time his fuel base for the enriched fuel by which he assures the production of low-potential heat. By the same token, incentives and economic motivators are not yet developed in such a way as to effectively lead consumers to conservation.

It is, therefore, essential to improve the legislative and legal instruments in this area. Government Resolution No 130/1979 approved the principles of a long-range energy policy in the sector concerned with the construction and operation of equipment for supplying the national economy and the population with heat. Additional measures followed which are focused on the conversion of condensation power plants to heating plants and on the rationalization of the consumption of enriched fuels, especially light heating oils and diesel fuel. At present, a proposal is being prepared for a law concerning the production, distribution and consumption of heat, which should replace the existing fragmented legislative and legal regulations, and orient the search for a solution in the direction of the following technicoeconomic principles.

--The rational obtaining, conversion, transportation and consumption of all types of fuel and energy is one of the fundamental preconditions for the further development of the national economy, an increase in the standard of living of the population and the preservation of the environment. This is fully true as well for the supplying of heat to the national economy and the population. The assurance of heat rests, above all, on the utilization of domestic solid-fuel resources, particularly of lower quality coal.

--In all technicoeconomically justified cases it is essential to utilize the cogeneration of electricity and heat, which provides for the highest possible valuation of primary-energy resources (including atomic energy). Imported liquid and gaseous fuels are to be replaced with domestic resources, above all with heat from centralized sources. Maximum use is to be made of secondary and nontraditional resources and of combinations of nonrenewable (coal, mazut, gas) and renewable resources (waste heat, the use of heat pumps, solar energy, and the like).

--Heat balances are a component of the overall fuel and energy balance at both a territorial and sectorial level, and are implemented and coordinated from one location and are completed centrally. During the formulation of the conception of heat supplies it is essential to assure the cooperation of oblast, sectorial and territorial planning agencies. This principle makes possible a maximum rationalization of primary-resource consumption while providing for the simultaneous protection of the land-water-air ecological system.

--Heat supplies must be oriented in such a way that there is an optimal number of bearers of energy and so that in all places where it is technically feasible and economically justified, heat at the lowest possible temperature will be used. All people responsible for the assurance of the obtaining, conversion and transportation of heat and, moreover, all consumers of heat are required to take steps to assure rational heat use and to create simultaneously the conditions and incentives (prices, penalties, technical resources) to see to it that this objective is reached.

--All legislative, economic, planning, organizational, construction and implementational instruments must be modified so as to make possible the implementation of the supplying of the national economy and the population with heat within the framework of national economic plans, with a view to the basic target programs in the area of long-range planning. This means the assurance of the feasibility of these objectives in terms of the taut sectors of the national economy (steel consumption, the work force, demands for construction work) by establishing appropriate stages for the progression of these projects, and by minimizing contingencies.

9276
CSO: 2400/167

BASIC ECONOMIC PLAN FOR SECOND QUARTER PUBLISHED

Warsaw ZYCIE WARSZAWY in Polish 25 Mar 82 pp 1, 2

[Text] Under the chairmanship of deputy prime minister Janusz Obodowski, a meeting of the Council of Ministers Economic Committee was held on the 24th of this month [March 1982], devoted to a discussion of the targets of the draft central plan for the second quarter of 1982. The goal of the plan, which was presented by the chairman of the Council of Ministers Planning Commission, deputy prime minister Zbigniew Madej, is to overcome the downward trend in the economy and to strengthen the impulses which would cause it to begin to move forward.

The industrial enterprises will continue to be faced with supply difficulties caused to a large degree by the restrictions placed on our country by certain western countries. The positive factors, which in the second quarter will begin to have a strong bearing on the national economy, will be: an increased output of indigenous raw materials, an improvement in work discipline, a reform of retail prices, and implementation of new economic mechanisms. It is envisaged, for example, that coal output in the second quarter of this year will amount to 43.5 million tons (an increase of 8.6 percent in relation to the second quarter of last year); electric energy production will amount to 27.5 billion kilowatt hours (a 3 percent increase); and copper, 87,000 tons (a 10.4 percent increase). Such industries as nonferrous metallurgy and the cement, sulfur, timber and paper industries, will also show a growth tendency.

However, it will not be possible to halt the decline in production in industries which are in large measure dependent on co-production deliveries from capitalist countries. This pertains particularly to the rubber, electronic and chemical industries, and in part to the machine-building industry. Due to a scarcity of import means and the depletion of material resources, industrial production in the second quarter of 1982, it is anticipated, will be about 92 percent of the production achieved in the second quarter of last year [1981]. Thus this will not be a poor result. The most important task, under these circumstances, as emphasized during the discussion, if to increase the growth of final production, chiefly for the market and for export, through correct planning decisions and efficient operation of enterprises and banks. The operative plan for the second quarter is directed mainly at reorienting industry toward greater cooperation with the socialist states, fuller utilization of domestic raw-materials resources, and reduction of imports from the second payments area [capitalist countries].

The enterprises themselves must play an active role in efforts to increase final production and production efficiency. In the second quarter, for example, the rule of automatic credits will no longer be valid. The bank will grant credit on the basis of an anticipated level of profitability, ensuing from an enterprise's plan, in accordance with the principle of self-financing and credit repayment. The priorities caused by overall-economic and social needs, as shown in governmental operational programs, will be considered here.

In order to exert just this kind of financial influence on enterprises, the Polish National Bank and the Food Economy Bank will enter into credit contracts with enterprises on new conditions. Therefore, the Economic Committee has suggested that informational activities regarding the new credit conditions be intensified.

The shortage of consumer and fodder grains constitutes a danger to the food economy. But the fodder shortage cannot, as was stressed during the Committee's deliberations, be eliminated through additional foreign imports. Because foreign-exchange means are scarce, this would cause a drastic reduction in imports of supplies for industry and a further drop in production. Therefore, to maintain favorable trends in breeding, the agricultural farms must use their own fodder stocks to the maximum degree. Sufficient imports of grain and grain products will be provided for consumer purposes.

In view of the poor housing construction figures in the first quarter, the Committee has ascertained that the task of delivering 200,000 housing units, as contained in the program for this year, must be fulfilled. Therefore, the Minister of Construction and Constructions Materials Industry, and the voivodship governors, are being required to ensure by their supervision, that the capabilities of the construction enterprises, house factories and plants producing construction materials, are being properly utilized. The Minister of Construction and Construction Materials Industry is required to submit, as quickly as possible, a program for increasing the supplies of construction materials, particularly the so-called finishing materials.

One of the important tasks in the economy in the second quarter must be activity to enhance the amount of goods available on the marketplace. It is important, above all, to increase the production of clothing and footwear for adults. The volume of production for children, as provided in the operational program, should be adequate. To ensure that needs of adults will be satisfied, imports of cotton and hides will have to be increased. The indispensable foreign-exchange means should be obtained through further stimulation of imports beginning with the second quarter of this year.

The central plan for the second quarter was prepared by the Council of Ministers Planning Commission under conditions of continuing great instability due to the country's difficult supply, payments, and money market situation.

Therefore, the Council of Ministers Economic Committee, in accepting the draft plan, emphasized that the need to define tasks for short, 3-months' time periods is now justified. The tasks contained in the plan for the second quarter must constitute the general guidelines for the ministries. Within the framework of this plan, means were also provided for implementing operational programs, supervised by ministry plenipotentiaries. The next short-term plans should be for 6-months' periods.

9295
CSO: 2600/459

POLAND

SPECIAL CURRENCY EXCHANGE RATES PUBLISHED

Warsaw TRYBUNA LUDU IN Polish 1, 8, 15, 22, 29 Mar 82

[1 Mar 82 p 7]

[Text] Announcement of Exchange Rates Table No 9/82, effective 1 March 1982, by Stanislaw Nieckarz, for the president, Polish National Bank, Warsaw, on 1 March 1982.

I. Foreign-currency exchange rates in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6/1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,408.70 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 9/82

Country	Curr Symb		Currency	Foreign Exchange		Money		
				Purchase 4	Sales 5	Purchase 1	Sales 2	Average 6
Saudi Arabia	771	1	rial***	23.86	24.10	--	--	23.98
Australia	781	1	Austral.dollar	88.07	88.95	86.74	90.28	88.51
Austria	786	100	schillings	492.54	497.50	485.12	504.92	495.02
Belgium	791	100	francs	188.92	190.82	186.07	193.67	189.87
Denmark	792	1	kroner	10.34	10.44	10.18	10.60	10.39
Finland	780	1	markka	18.11	18.29	17.84	18.56	18.20
France	793	1	franc	13.57	13.71	13.37	13.91	13.64
Greece	724	100	drachmas	133.58	134.92	115.77	136.94	134.25
Spain	785	100	pesetas	79.94	80.74	78.73	81.95	80.34
Holland	794	1	florin	31.51	31.83	31.04	32.30	31.67
India	543	100	rupees***	882.33	891.19	--	--	886.76
Ireland	782	1	pound***	122.02	123.24	--	--	122.63
Japan	784	100	yen	34.76	35.10	34.23	35.63	34.93
Yugoslavia	718	100	dinars	173.65	175.39	150.51	178.01	174.52
Canada	788	1	Canad.dollar	67.00	67.68	65.99	68.69	67.34
Kuwait	770	1	dinar***	286.82	289.70	--	--	288.26
Lebanon	752	1	pound	16.66	16.82	16.41	17.07	16.74
Libya	651	1	dinar***	275.36	278.12	--	--	276.74
Luxembourg	790	100	francs	188.92	190.82	186.07	193.67	189.87
Norway	796	1	kroner	13.67	13.81	13.47	14.01	13.74
Portugal	779	100	escudos	118.20	119.38	102.44	121.17	118.79
FRG	795	1	mark	34.59	34.93	34.06	35.46	34.76
United States	787	1	dollar*	81.62	82.44	80.39	83.67	82.03
Switzerland	797	1	franc	43.50	43.94	42.85	44.59	43.72
Sweden	798	1	kroner	14.18	14.32	13.96	14.54	14.25
Turkey	627	100	pounds	58.30	58.88	50.53	59.76	58.59
Great Britain	789	1	pound**	150.03	151.53	147.76	153.80	150.78
Italy	799	100	lira	6.45	6.51	5.59	6.61	6.48

[*] Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

[**] Valid also in clearing accounts with the following countries: Nepal and Pakistan.

[***] The Polish National Bank does not purchase money in these currencies.

[[illegible] 82 p 7]

[Text] Announcement of Exchange Rates Table No 10/82, effective 8 March 1982, by Stanislaw Nieckarz, for the president, Polish National Bank, Warsaw, on 8 March 1982.

I. Foreign-currency exchange rate in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6/1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,458.80 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 10/82

Country	Curr Symb	Currency	Foreign Exchange		Money		
			Purchase 3	Sales 5	Purchase 1	Sales 2	Average 6
Saudi Arabia	771	1 rial***	23.98	24.22	--	--	24.10
Australia	781	1 Austral.dollar	87.80	88.68	86.48	90.00	88.24
Austria	786	100 schillings	490.30	495.22	482.90	502.62	492.76
Belgium	791	100 francs	187.34	189.22	184.51	192.05	188.28
Denmark	792	1 kroner	10.24	10.34	10.08	10.50	10.29
Finland	780	1 markka	18.00	18.18	17.73	18.45	18.09
France	793	1 franc	13.48	13.62	13.28	13.82	13.55
Greece	724	100 drachmas	133.30	134.64	115.54	136.65	133.97
Spain	785	100 pesetas	79.28	80.08	78.09	81.27	79.68
Holland	794	1 florin	31.35	31.67	30.88	32.14	31.51
India	543	100 rupees***	884.33	893.21	--	--	888.77
Ireland	782	1 pound***	121.18	122.40	--	--	121.79
Japan	784	100 yen	34.59	34.93	34.06	35.46	34.76
Yugoslavia	718	100 dinars	173.68	175.42	150.53	178.04	174.55
Canada	788	1 Canad.dollar	66.79	67.47	65.79	68.47	67.13
Kuwait	770	1 dinar***	287.24	290.12	--	--	288.68
Lebanon	752	1 pound	16.73	16.89	16.47	17.15	16.81
Libya	651	1 dinar***	276.58	279.36	--	--	277.97
Luxembourg	790	100 francs	187.34	189.22	184.51	192.05	188.28
Norway	796	1 kroner	13.64	13.78	13.44	13.98	13.71
Portugal	779	100 escudos	115.22	116.38	99.86	118.12	115.80
FRG	795	1 mark	34.39	34.73	33.87	35.25	34.56
United States	787	1 dollar*	81.98	82.80	80.74	84.04	82.39
Switzerland	797	1 franc	43.43	43.87	42.78	44.52	43.65
Sweden	798	1 kroner	14.12	14.26	13.91	14.47	14.19
Turkey	627	100 pounds	58.56	59.14	50.75	60.03	58.85
Great Britain	789	1 pound**	149.35	150.85	147.10	153.10	150.10
Italy	799	100 lira	6.41	6.47	5.55	6.57	6.44

*Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

**Valid also in clearing accounts with the following countries: Nepal and Pakistan.

***The Polish National Bank does not purchase money in these currencies.

[15 Mar 82 p 7]

[Text] Announcement of Exchange Rates Table No 11/82, effective 15 March 1982, by Stanislaw Majewski, president, Polish National Bank, Warsaw, on 15 March 1982.

I. Foreign-currency exchange rate in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6/1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,509.00 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 11/82

			Foreign Exchange		Money		
Country	Curr Symb	Currency	Purchase 3	Sales 5	Purchase 1	Sales 2	Average 6
Saudi Arabia	771	1 rial***	24.08	24.32	--	--	24.20
Australia	781	1 Austral.dollar	88.23	89.11	86.90	90.44	88.67
Austria	786	100 schillings	502.04	507.08	494.47	514.65	504.56
Belgium	791	100 francs	188.26	190.16	185.43	192.99	189.21
Denmark	792	1 kroner	10.47	10.57	10.31	10.73	10.52
Finland	780	1 markka	18.30	18.48	18.02	18.76	18.39
France	793	1 franc	13.78	13.92	13.57	14.13	13.85
Greece	724	100 drachmas	135.73	137.09	117.64	139.14	136.41
Spain	785	100 pesetas	80.14	80.94	78.93	82.15	80.54
Holland	794	1 florin	32.16	32.48	31.67	32.97	32.32
India	543	100 rupees***	891.61	900.57	--	--	896.09
Ireland	782	1 pound***	121.78	123.00	--	--	122.39
Japan	784	100 yen	35.35	35.71	34.82	36.24	35.53
Yugoslavia	718	100 dinars	177.17	178.95	153.56	181.62	178.06
Canada	788	1 Canad.dollar	68.02	68.70	66.99	69.73	68.36
Kuwait	770	1 dinar***	290.49	293.41	--	--	291.95
Lebanon	752	1 pound	16.82	16.98	16.56	17.24	16.90
Libya	651	1 dinar***	277.95	280.75	--	--	279.35
Luxembourg	790	100 francs	188.26	190.16	185.43	192.99	189.21
Norway	796	1 kroner	13.87	14.01	13.66	14.22	13.94
Portugal	779	100 escudos	119.48	120.68	103.56	122.48	120.08
FRG	795	1 mark	35.28	35.64	34.75	36.17	35.46
United States	787	1 dollar*	82.39	83.21	81.14	84.46	82.80
Switzerland	797	1 franc	44.78	45.24	44.11	45.91	45.01
Sweden	798	1 kroner	14.28	14.57	14.14	14.72	14.43
Turkey	627	100 pounds	57.02	57.60	49.42	58.46	57.31
Great Britain	789	1 pound**	151.22	152.74	148.94	155.02	151.98
Italy	799	100 lira	6.54	6.60	5.67	6.70	6.57

*Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

**Valid also in clearing accounts with the following countries: Nepal and Pakistan.

***The Polish National Bank does not purchase money in these currencies.

[22 Mar 82 p 7]

[Text] Announcement of Exchange Rates Table No 12/82, effective 22 March 1982, by Stanislaw Majewski, president, Polish National Bank, Warsaw, on 22 March 1982.

I. Foreign-currency exchange rates in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6/1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,509.00 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 12/82

Country	Curr Symb	Currency	Foreign Exchange Purchase 3	Foreign Exchange Sales 5	Money Purchase 1	Money Sales 2	Average 6
Saudi Arabia	771	1 rial***	24.26	24.50	--	--	24.38
Australia	781	1 Austral.dollar	87.97	88.85	86.64	90.18	88.41
Austria	786	100 schillings	499.51	504.53	491.98	512.06	502.02
Belgium	791	100 francs	189.45	191.35	186.59	194.21	190.40
Denmark	792	1 kroner	10.44	10.54	10.28	10.70	10.49
Finland	780	1 markka	18.24	18.42	17.96	18.70	18.33
France	793	1 franc	13.66	13.80	13.46	14.00	13.73
Greece	724	100 drachmas	135.24	136.60	117.22	138.64	135.92
Spain	785	100 pesetas	79.70	80.50	78.50	81.70	80.10
Holland	794	1 florin	31.99	32.31	31.51	32.79	32.15
India	543	100 rupees***	895.99	904.99	--	--	900.49
Ireland	782	1 pound***	123.59	124.83	--	--	124.21
Japan	784	100 yen	34.71	35.05	34.18	35.58	34.88
Yugoslavia	718	100 dinars	177.28	179.06	153.66	181.73	178.17
Canada	788	1 Canad.dollar	68.22	68.90	67.19	69.93	68.56
Kuwait	770	1 dinar***	291.62	294.56	--	--	293.09
Lebanon	752	1 pound	17.26	17.44	17.00	17.70	17.35
Libya	651	1 dinar***	280.20	283.02	--	--	281.61
Luxembourg	790	100 francs	189.45	191.35	186.59	194.21	190.40
Norway	796	1 kroner	13.86	14.00	13.65	14.21	13.93
Portugal	779	100 escudos	118.86	120.06	103.02	121.85	119.46
FRG	795	1 mark	35.04	35.40	34.52	35.92	35.22
United States	787	1 dollar*	82.97	83.81	81.72	85.06	83.39
Switzerland	797	1 franc	44.38	44.82	43.71	45.49	44.60
Sweden	798	1 kroner	14.31	14.45	14.09	14.67	14.38
Turkey	627	100 pounds	57.22	57.80	49.60	58.66	57.51
Great Britain	789	1 pound**	149.90	151.40	147.64	153.66	150.65
Italy	799	100 lira	6.49	6.55	5.62	6.65	6.52

*Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

**Valid also in clearing accounts with the following countries: Nepal and Pakistan.

***The Polish National Bank does not purchase money in these currencies.

[29 Mar 82 p 7]

[Text] Announcement of Exchange Rates Table No 13/82, effective 29 March 1982, by Stanislaw Majewski, president, Polish National Bank, Warsaw, on 29 March 1982.

I. Foreign-currency exchange rates in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments in Table No 6/1982, dated 8 February 1982, remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,509.00 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries]

[Table on following page]

Exchange Rates Table No 13/82

			Foreign Exchange		Money		
Country	Curr Symb	Currency	Purchase 3	Sales 5	Purchase 1	Sales 2	Average 6
Saudi Arabia	771	1 rial***	24.42	24.66	--	--	24.54
Australia	781	1 Austral.dollar	88.18	89.06	86.85	90.39	88.62
Austria	786	100 schillings	497.55	502.55	490.05	510.05	500.05
Belgium	791	100 francs	186.28	188.16	183.48	190.96	187.22
Denmark	792	1 kroner	10.32	10.42	10.16	10.58	10.37
Finland	780	1 markka	18.20	18.38	17.92	18.66	18.29
France	793	1 franc	13.37	13.51	13.17	13.71	13.44
Greece	724	100 drachmas	135.01	136.37	117.02	138.40	135.69
Spain	785	100 pesetas	79.31	80.11	78.12	81.30	79.71
Holland	794	1 florin	31.70	32.02	31.22	32.50	31.86
India	543	100 rupees***	897.87	906.89	--	--	902.38
Ireland	782	1 pound***	121.51	122.73	--	--	122.12
Japan	784	100 yen	34.17	34.51	33.65	35.03	34.34
Yugoslavia	718	100 dinars	175.80	177.56	152.37	180.21	176.68
Canada	788	1 Canad.dollar	68.40	69.08	67.37	70.11	68.74
Kuwait	770	1 dinar***	292.89	295.83	--	--	294.36
Lebanon	752	1 pound	17.09	17.27	16.34	17.52	17.18
Libya	651	1 dinar***	282.00	284.84	--	--	283.42
Luxembourg	790	100 francs	186.28	188.16	183.48	190.96	187.22
Norway	796	1 kroner	13.81	13.95	13.60	14.16	13.88
Portugal	779	100 escudos	118.52	119.72	102.73	121.50	119.12
FRG	795	1 mark	34.96	35.32	34.44	35.84	35.14
United States	787	1 dollar*	83.50	84.34	82.24	85.60	83.92
Switzerland	797	1 franc	43.91	44.35	43.25	45.01	44.13
Sweden	798	1 kroner	14.25	14.39	14.03	14.61	14.32
Turkey	627	100 pounds	57.59	58.17	49.91	59.04	57.88
Great Britain	789	1 pound**	150.48	152.00	148.22	154.26	151.24
Italy	799	100 lira	6.35	6.41	5.50	6.51	6.38

[*] Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan, Peru and Turkey.

[**] Valid also in clearing accounts with the following countries: Nepal and Pakistan.

[***] The Polish National Bank does not purchase money in these currencies.

9295
CSO: 2600/464

FREIGHT CAR SHORTAGES HAMPER TRANSPORT INDUSTRY

Warsaw RZECZPOSPOLITA in Polish No 52, 15 Mar 82 p 4

[Article by staff writer Zbigniew Wyczrsany: "What Will Carry the Freignt?"--passages inclosed in slantlines printed in boldface]

[Text] /Only the Main Directorate of the Polish State Railroads (PKP) may approve each deletion of a railroad car from inventory. Such approval was given 11 thousand times during the past year. Such a high rate eliminating old and damaged cars was the largest in the entire history of PKP. However, 25 percent of current rolling stock are older than the (so called) norm age. According to forecasts it will be necessary to retire about 12 thousand railroad cars in 1982./

New rolling stock deliveries do not compensate for the transportation capability which has been lost. Last year PKP received 5.5 thousand new railroad cars, this year there are only 3,300 confirmed [deliveries] to date. In this situation every railroad car that is capable of rolling on a rail must be utilized. This is not such a simple matter. Due to safety considerations freight cars which are technically defective cannot be allowed on the track. That sort of thing could be too costly. Additionally, regulations provide for mandatory maintenance and inspections to be periodically conducted.

Meanwhile, more and more railroad cars need repairs, not necessarily due to periodic or mandatory maintenance requirements. The number of cars which were pulled out of service, due to technical defects or for periodic maintenance has grown tremendously and to a degree which up until now has never been encountered.

Alarming Numbers

/In 1976, the average daily number of technically deficient railroad cars amounted to 17.7 thousand, in 1978--24.7 thousand, in 1980--36.6 thousand and on 31 December 1981 there were 43 thousand of such cars!/

/During the first weeks of the year thousands of damaged freight cars were returned to railroad sheds and freight car bases after the harvest transport campaign. There were a total of 53 thousand of "sick" railroad cars on 31 January of this year, midway through February this number had grown to over 56 thousand. These figures are very alarming./

It can be said without exaggeration that very soon the railroad will have nothing with which to carry freight. Our miners are not sparing their efforts. The need for coal transport is continuously growing. In order for coal to be delivered to consumers at regular intervals it is necessary to have 12,000 freight cars daily arriving in Silesia.

Freight cars used in coal transport should be free of technical defects. Unfortunately, railroad personnel report that many damaged cars can be found in the train stock. Technical control removes those freight cars from service. In January of this year it became necessary to remove 23 thousand of such defective cars from service. They can [now] be found crowding some little-used sections of tracks in the Katowice voivodship.

Who Destroys Railroad Cars?

This happens to be a phenomenon of such magnitude that it cannot pass unnoticed. Those ever-growing numbers of defective railroad cars have been analysed repeatedly by the railroad authorities. They tried to find some alternatives to avoid a disaster. Some time ago, a requirement was established that the users had to repair railroad cars damaged during unloading operations at their own expense and using their own materials. This has never been fully carried out by any of the freight car customers. Today only a handful of enterprises are treating it seriously.

/In 1979, a Railroad Car Inspectorate was created, a form of railroad police authorized to intercede and assess punishment for improper handling of railroad cars by customers or PKP employees. Unfortunately, this is still not enough to effectively stop these damages./

Railroad personnel themselves are not without blame. A considerable portion of the damage is inflicted during marshalling operations and on hump yards. The majority of switching stations are not equipped with integral track braking systems. Freight cars rolling off the hump yard crash one into another. The sustained damage is not limited to the rolling stock only. A considerable portion of the freight consigned to the railroad for transportation is also damaged.

What Can be Done?

The past few weeks have seen an intensification of several types of action designed to improve freight car management. Several organizational measures have been adopted. Supervision over the customers' use of freight cars has been strengthened. Also, it has been decided to send back to the point of damages origin damaged freight cars which arrive in Silesia.

/The problem, above all, is to achieve progress in the base facility activities for maintenance and repair. For many years, even during the investment boom period, means directed for maintenance and repair base facilities were extraordinarily meager./

Even today, during a period of general investment limitations, there are very scant possibilities for expanding such base facilities. Nevertheless, the ministry of communications has acknowledged that it is no longer possible to delay or postpone for some future year the modernization repair and maintenance base facilities. Thus the ministry has suddenly found itself in the middle of a transportation operations program. Monies have been made available through economical management, at the same time, within the framework of existing capabilities, the necessary material-technical supply has been found for freight car shops and rolling stock repair yards.

The PKP net contains 70 railroad car repair shops which conduct current repairs [as opposed to periodic maintenance]. The problem is that there are very few covered facilities. About 6,000 repair stations are out in the open. Because of the urgency of the situation, due to the increased frequency of current repairs, a search has been made for unused facilities of any kind which after a slight modification could be utilized for current freight car repairs. There is also a need to increase the personnel at freight car repair facilities by some 4,000 workers./

Those freight car repair facilities which perform periodic maintenance are in better shape. Here all the facilities are located under a roof. However, even those places are undergoing serious difficulties: Last year about 5,000 workers were retired on pension or annuity, most of them excellent professionals, craftsmen with truly golden hands.

All the same, there is still a chance that it will be possible to repair and maintain, the number of cars stipulated in the Central Socioeconomic Plan in those facilities throughout the year.

Freight car repairs have been concentrated in Bydgoszcz, Gdansk and Lapy. It is rather doubtful that following the maintenance in those facilities the cars will emerge looking "like new." Although technically speaking they will be perfect, due to a shortage of paints and lacqueurs they will not present a pleasing appearance. However, what is important is that they will be able to haul freight. The aesthetic aspects will have to wait for better times.

9511
CSO: 2600/439

DECREE SETS TASKS FOR IMPROVEMENT OF MECHANIZATION OF AGRICULTURE

Bucharest BULETINUL OFICIAL in Romanian Part I No 3, 8 Jan 82 pp 1-6

[Decree of the Council of State regarding the improvement of mechanization activities and the regulation of relationships between the agricultural mechanization stations and the agricultural units within the framework of the state and cooperatist unified agro-industrial councils]

[Text] The Council of State of the Socialist Republic of Romania decrees:

Chapter I

The Organization of Activities for the Mechanization of Agriculture

Article 1. - The agricultural mechanization stations, as specialized units of the unified state and cooperatist agro-industrial councils, together with the state and cooperatist agricultural units, organize and ensure the execution of agricultural projects during the optimum periods, while adhering to technological norms, the use of the agricultural tractor and machinery motor pool with a high level of efficiency and the strengthening of order and discipline at work for the purpose of increasing agricultural production and economic efficiency.

Article 2. - Mechanization sections and formations are organized, according to law, within the framework of the agricultural mechanization stations.

Article 3. - The mechanization sections and formations organized at the state agricultural units are integrated into the activities of these units and operate with a dual subordination, both to the leadership of the state agricultural unit and to the agricultural mechanization station.

The workers in the mechanization sections and formations are employed with a permanent status at the state agricultural unit and are required to participate in the achievement of all projects within this unit.

The mechanized equipment operators and other workers in the mechanization sections and formations organized at the state agricultural units, as well as the personnel assigned to the technological transportation equipment necessary to activities in the field of animal production that have been moved under the administration of the state agricultural units, are transferred in the interest of work to these units.

Article 4. - The mechanized sections and formations organized at the cooperatist agricultural units are integrated into the activities of these units and operate with a dual subordination, both to the leadership of the cooperatist agricultural units and to the agricultural mechanization stations.

The mechanized equipment operators and other workers existing at the mechanization sections and formations organized for the cooperatist agricultural units are integrated into the activities of these units as members of these agricultural production cooperatives. The mechanized equipment operators and other workers who are not members of the agricultural production cooperatives will become cooperative members with the approval of the general assembly.

The persons listed in the preceding paragraph maintain their status as workers of the agricultural mechanization stations.

Article 5. - The tractors, self-propelled combines, machinery and other agricultural equipment at the agricultural mechanization stations are put to use at the state and cooperatist agricultural units on the basis of long-term contracts that are concluded.

Article 6. - The leaderships of the state and cooperatist agricultural units establish, according to technological norms, the schedules for mechanized and manual projects and the order and priority for executing agricultural projects. In finalizing these programs, they will also keep in mind the necessary amounts of manpower needed for carrying out maintenance, technical overhauls and current repairs that are performed by the personnel of the mechanization sections and formations.

Adherence to the programs is mandatory for all the workers who contribute to the achievement of these programs, as well as for the agricultural organs tasked with reviewing their fulfillment.

Article 7. - The leaderships of the state and cooperatist agricultural units are required to analyze and establish, together with the farm chiefs, section chiefs and mechanized equipment operators, the most economic means of carrying mechanized projects, using the smallest number of people and mechanical means, for the purpose of concluding contracts with the agricultural mechanization stations.

Article 8. - The agricultural mechanization stations are responsible for the supply of agricultural tractors and machinery, review the rational use of and adherence to technical maintenance norms for mechanical equipment and carry out repairs on equipment and the reconditioning of parts and spare subassemblies, as well as supplying the fuels, lubricants, parts and materials necessary to the normal conduct of mechanized projects for all the agricultural units.

The agricultural mechanization stations have the right to withdraw inappropriately used equipment from the agricultural production units for the purpose of redistributing this equipment.

Article 9. - The mechanization sections of the agricultural mechanization stations will provide technical assistance and the effective correction of defects for the mechanization formations, as well as the carrying out of repair projects, assembly work and services for the agricultural units and the people's farms.

Article 10. - In order to carry out assembly projects for zootechnical equipment and installations, technical assistance, to make metal parts, to provide services, to make capital repairs on specific types of equipment and to train personnel involved in zootechnical production activities, in each county there will be specialized centers, subordinate and directly managed by agricultural mechanization trusts for irrigation, transportation and the production of equipment for agriculture and the food industry.

Article 11. - The Ministry of Agriculture and the Food Industry will ensure, on the basis of approved development and standardization programs the supply of the necessary mechanical equipment, in a unified concept, for all the sectors in agriculture.

Chapter II

The Carrying Out of Mechanized Agricultural Projects

Article 12. - The carrying out of mechanized projects will be organized, in all agricultural units, in large formations led by agricultural specialists.

These formations are of a permanent nature, are usually organized by agricultural production farm within the framework of the component units of the unified council and will operate for at least the duration of one production cycle or one calendar year.

In horticultural-type units and in other agricultural units having areas planted with vegetables, potatoes, fruit trees and grape vines, as well as in those units having areas planted with fodder crops and hays, that are organized into farms, mechanization activities will be carried out, as the case may be, by specialized sections or formations headed by agricultural specialists.

During peak periods, in order to carry out plowing and planting during optimum times and with quality, as well as to bring in the harvest on a timely basis and without losses, all mechanical equipment and personnel in the agricultural units will be concentrated in order to carry out the projects during this stage.

In cases where agricultural projects in a number of sectors must be carried out in the same period, the leaderships of the units will establish priorities and will assign manpower and existing mechanical equipment so as to ensure the carrying out of all necessary projects concomitantly and under good conditions.

During those periods when the tractors, transportation equipment and other types of equipment are not needed for agricultural projects, they will be used to carry out services for projects in transportation, construction, road work, hydrotechnical work, improvement programs and other similar projects, with payment being made on the basis of legal charges.

Article 13. - Agricultural specialists organize the activities of the large mechanization formations that they lead and are responsible for, together with the mechanized equipment operators, the carrying out of the projects listed in the technological norms for each crop, the implementation of chemical and irrigation programs and the attainment of planned production levels on their assigned lands and crops, as well as the economical use of agricultural tractors and machinery, the adherence to the standard consumption rates for fuels and lubricants and the achievement of incomes and expenditures both for each farm's plan and for the mechanization formation.

Article 14. - The achievement of agricultural production is pledged by the mechanized equipment operator formations, specialists and other permanent personnel in the farms and sections on the basis of an overall agreement with the agricultural unit in which each person carries out his activities.

The payment of wages for work within the overall agreement is done according to the agricultural production obtained, the quality of the work carried out, the adherence to the legal provisions regarding the carrying out of agricultural projects and the established agro-zootechnical norms and the achievement of maintenance and repair work on the agricultural equipment and machinery in the units and staying within the planned limits for material and labor costs.

The overall agreement contract will list, on the basis of the technological norms drawn up, according to the law, by the Ministry of Agriculture and the Food Industry, the volume of and the timeframes for carrying out all mechanized projects, the level of planned production, the sums owed as salaries, the charges per unit of product, the quality indices and the production costs, as well as other mutual conditions and obligations.

Article 15. - Farm chiefs, section chiefs and chiefs of mechanization formations are responsible for the carrying out of all agricultural projects on a timely basis and under good conditions, from plowing to harvesting, and the transportation and storage of the production obtained, including those projects carried out with the help of other formations.

The payment of wages to the mechanized equipment operators and the other workers on the farm and in the section, including the farm or section chief or the specialists who lead them, is done on the basis of an overall agreement, according to the law, with charges per ton of product or per 1,000 lei of physical production, in unlimited amounts, in relation to the production obtained for each crop by the formation to which the workers belong, independently of the production obtained by other formations or by the overall unit served.

In the event of exceeding the pledged production, the sums owed for the full payment of all overall agreement rights and the salary fund are recalculated appropriately and paid out according to the law.

The payment of salaries to formation members is done according to the volume and quality of the work performed by each member and the strict adherence to the consumption norms for fuels, lubricants and spare parts.

In cases where agricultural mechanics and other personnel in the formations also carry out work other than those contracted in the overall agreement, in the same unit or in other units, they will be paid for this work by direct agreement, according to the law.

For carrying out certain manual labors, the mechanized equipment operators will be paid according to the schedules for these types of labors.

Article 16. - In order to have savings in the consumption of materials, fuels and energy, compared to the established norms, the personnel in formations, mechanization sections or shops can receive bonuses during the year, according to the law.

In cases where the standard consumption levels for materials, fuels and energy are exceeded, the agricultural unit will recover the value of these excesses from the persons at fault.

Article 17. - The principal indicators used in paying the salaries to the personnel in the leaderships of the agricultural mechanization stations are the achievement of the physical production plan for the main agricultural crops, as established at the beginning of the year by the general directorate for agriculture and the food industry and according to the specific conditions of the state and cooperatist agricultural units within the framework of each unified council and the total planned volume of work, on the condition that there is respect for the legal provisions regarding the performance of agricultural work and the established agro-zootechnical norms, and the carrying out of maintenance and repairs in the agricultural tractor and machinery motor pool, as well as staying within the planned levels of expenditures.

Article 18. - All specialists who work in the production units within the framework of the unified state and cooperatist agro-industrial council are subordinate to this council.

The specialists work in the state or cooperatist units as representatives of the state, being directly responsible for the achievement of their economic and production tasks.

In all agricultural units, not counting the cadres assigned or elected to the leaderships of these units as directors, presidents of agricultural production cooperatives or chief engineers, all other agricultural specialists are directly responsible for the activities of a farm or sector of production and for the achievement of production and obtaining the planned economic results.

Chapter III

The Responsibilities of the Unified State and Cooperatist Agro-Industrial Councils and the Collective Leadership Organs in the State and Cooperatist Agricultural Units

Article 19. - The unified state and cooperatist agro-industrial councils are responsible for the unified coordination and guidance of the production activities of their component units, for the adoption and achievement of measures regarding the profiling and specialization of these units, for the establishment and rigorous implementation, under the conditions of the law, of the norms for carrying out agricultural work and for the fulfillment of development programs and production plans in all units.

Article 20. - All the crop production activities of the agricultural units in the council are achieved in a unified manner on the basis of the program established in the draft plan for agricultural organization and exploitation for each particular crop rotation cycle.

Each unified state and cooperatist agro-industrial council is required to take measures to increase the production and development of the fodder base so as to fully provide, from their own production, the necessary amount of fodder for the numbers of animals maintained by its units, as well as to ensure the fulfillment of their obligations to the state fund.

Article 21. - The workers' councils in the state agricultural enterprises, the leadership councils of the agricultural production cooperatives and the other collective leadership organs in each agricultural production unit within the unified state and cooperatist agro-industrial councils are responsible for the proper administration and use, according to the law, of the entire area of land held by the unit and for the development and continuing growth of production, the rigorous application of the norms outlined in technologies and the judicious use of all material and financial resources so as to achieve all the production tasks outlined in the plan and to obtain a maximum efficiency in all activities.

Article 22. - Each state and cooperatist agricultural unit carries out its activities on the principles of self-management and economic-financial self-administration and is required to administer its material and financial resources with a maximum of efficiency and to cover its costs from its own incomes and make profits, under the conditions outlined by law.

Article 23. - The county people's council, together with the general directorate for agricultural and the food industry, assign the production plan, as well as the economic-financial indicators, to each state and cooperatist agricultural unit, as well as the overall totals to the unified state and cooperatist agro-industrial councils.

The unified state and cooperatist agro-industrial councils, together with the agricultural units, carry out the assignment of plan tasks to each field in a differentiated manner according to the degree favorability, the production potential of the land and the available technical-material base, ensuring the achievement of the production levels listed in the plan.

The plan will be submitted for discussion and approval to the general assembly in each agricultural unit and, after that, to the general assembly of the unified state and cooperatist agro-industrial council.

Article 24. - The state agricultural enterprises, the agricultural production cooperatives, the agricultural mechanization stations and the other agricultural units belonging to the unified state and cooperatist agro-industrial councils are each responsible for the plan and have their own contractual responsibilities, being required to ensure the achievement of production and delivery tasks for all crops and agricultural activities, under the conditions outlined by law.

Article 25. - The town people's councils, together with the agricultural production cooperatives, are responsible for seeing that the entire land area turned over for use by the members of the cooperatives or other persons or held by producers on individual farms will be worked according to the crop plan in order to achieve the established levels of production.

Article 26. - For the purpose of increasing agricultural production and rationally using the production potential of the land, as well as of having the unified application of technologies and using the same consumption norms for fertilizers, pesticides and other materials throughout the territory of the component units of the unified state and cooperatist agro-industrial councils, crop rotations will be organized, regardless of the type of unit working the land, using areas grouped together by homogeneous fields from an agro-pedological point of view and sized optimally for mechanized exploitation.

Article 27. - For fields made up of lands that belong to a single agricultural unit, this unit is responsible for carrying out all work in a timely manner and of an appropriate quality so as to ensure obtaining maximum production with at the lowest possible costs. The production obtained from these fields fully belong to these units.

Fields that are made up of lands belonging to a number of agricultural units are the responsibility, for the purpose of carrying out all work and obtaining the planned production, of the unit that has the largest amount of land in these fields or of another unit that has the best possibilities for organizing production and using the land, as established by the unified state and cooperatist agro-industrial councils. The production obtained from these fields is divided proportionately in accordance with the amount of land held by each unit and in relationship to the average production achieved on the entire area of the fields.

The expenditures needed for carrying out the work on the fields that belong to the lands of a number of agricultural units are supported by each of these units, according to the amount of area they have. To this end, the sums of money needed to make these expenditures will be transferred by each unit to the account of the agricultural unit that is responsible for these fields.

The Bank for Agriculture and the Food Industry provides, according to the law, the necessary loans for each unit to cover production costs.

After the completion of the harvest and the delivery of production, the repayment of loans issued to cover production costs will be made in relationship to the production obtained and the land area held by each unit.

Chapter IV

Payment for Work Carried Out and Services Rendered by the Agricultural Mechanization Stations to the Agricultural Units

Article 28. - The state agricultural units will list in their production plans the costs for carrying out mechanized projects, while adhering to the consumption standards and the approved norms, paying the agricultural mechanization stations, according to the law, for the actual expenditures made by these stations, plus a profit of five percent.

In cases where the actual expenditures are smaller than the norms, as outlined in the plan, the difference represents savings for the state agricultural unit and remains available to this unit. In situations where the actual expenditures are greater than the norms, the difference is paid by the state agricultural unit.

The actual expenditures will include: fuels and lubricants, spare parts and materials, repairs, payments, related supply costs and the amounts of joint and general expenditures of the agricultural mechanization stations.

Article 29. - The payments made to the agricultural mechanization stations for the mechanized work carried out in the agricultural cooperatist units, including those involving the application of chemicals and the irrigation of crops, as recorded in contracts, are done on the basis of payment schedules per unit of agricultural product that are proportionate to the production achieved by each agricultural unit.

In order to obtain vegetables early in the optimum periods and of the appropriate quality, in accordance with the provisions of the established program, the agricultural mechanization stations can receive production bonuses above the level of the listed schedules, according to the law.

For the projects and services listed in the annex, payments are made on the basis of fixed schedules, according to the current legal norms.

Article 30. - The work carried out by the agricultural mechanization stations in mutual assistance actions at the state and cooperatist agricultural units is paid for at the fixed rates corresponding to this work.

The amounts owed to the agricultural mechanics for this work are fully paid for on the basis of acceptance documentations at the end of the month.

Article 31. - The agricultural projects carried out by the agricultural mechanization stations at the cooperatist agricultural units are paid for in cash or in kind, according to the current legal provisions.

For those projects paid for in cash, the cooperatist agricultural units pay during the year at the times established according to the law, 80 percent of the amount owed on the basis of the schedules related to the projects carried out.

For those projects paid for in kind, the cooperatist agricultural units will turn over during harvest time, to those enterprises tasked with receiving products, into the accounts of the agricultural mechanization stations 80 percent of the amounts established on the basis of the schedules corresponding to the work that was done, with the exception of some essential crops which are turned over completely according to the amount of production harvested.

The amounts owed to the agricultural mechanization stations for work paid for in kind will be turned over by the cooperatist agricultural units in useful quantities, before any other obligations to the state, with the exception of debts for seeds and products borrowed from the state fund.

In the case of accepting the products owed to the agricultural mechanization stations in ways other than that outlined in paragraph four, the enterprises tasked with receiving these products will pay penalties of .05 percent to these stations for each day late, calculated on the value of the products not turned over and established on the basis of the payment charges for them.

Article 32. - Within 20 days from the conclusion of the harvesting work on each crop, the amounts owed to the agricultural mechanization stations for the work done at the cooperatist agricultural units are recalculated, with regards to the rates per unit of product, according to the area seeded, the work actually done and the production achieved, in useful quantities.

In establishing the amounts owed to the agricultural mechanization stations, they will also taken into consideration the amount of production not achieved as a result of certain disasters recognized by the State Insurance Administration and for which the cooperatist agriculture units received compensation.

Article 33. - The cooperatist agricultural units will pay to the agricultural mechanization stations, within 25 days from the end of the harvest, the difference in cash or in kind that is still owed. In cases where the agricultural production cooperative no longer has quantities of products of this crop with which to pay the difference, it will turn over equivalent products to the units tasked with receiving products so that the agricultural mechanization stations will be fully able to obtain the amounts owed them.

In cases where the state and cooperatist agricultural units do not pay on-time for the value of the mechanized work performed in cash, the agriculturual mechanization stations will submit payment vouchers to the bank that will result in payment from the account of these units.

For crops where the amounts owed to the agricultural mechanization stations are smaller than the actual receipts, the difference will be made up from the amounts owed for other crops or it will be refunded from the first receipts of these cooperatist agricultural units by the agricultural mechanization stations within 25 days from the conclusion of the harvest of these crops.

At the end of the year, the final repayment of the differences will be made in relationship to the production obtained by the cooperatist agricultural units.

Article 34. - The products owed as payment in kind and the essential products are paid to the agricultural mechanization stations at the production prices, contracting prices and acquistion prices in effect.

Chapter V

Joint, Temporary and Final Provisions

Article 35. - The agricultural production cooperatives can give a personal use lot, under the conditions listed by statute, to mechanics and other workers who have status as members of the cooperative and work in mechanization formations or sections organized within the framework of the farms of a state agricultural enterprise.

The mechanized equipment operators who have been transferred to the subordination of the state agricultural units and who are not cooperatist members receive a lot for personal use of up to .10 hectares from the state agricultural unit to which they belong.

Article 36. - The unified state and cooperatist agro-industrial councils, together with the agricultural units, will take measures to concentrate the field areas assigned as personal use lots in specially organized fields near the villages, providing, at a charge, the mechanized carrying out of the main agricultural projects.

Article 37. - The state agricultural units will take measures to provide, at a charge, hot meals for the workers in the mechanization sections and formations.

The provisions in paragraph one are recommended for also being applied at the cooperatist agricultural units.

Article 38. - Within 30 days from the effective date of this decree, the Ministry of Agriculture and the Food Industry, together with the State Planning Committee, the Ministry of Finance and the State Committee for Prices, will propose payment schedules for three regions that will cover the production costs for the mechanized carrying out of projects and the payment standards for them. The schedules will also include an average level of profit of five percent, differentiated according to these three regions.

Article 39. - The agricultural mechanization stations will ensure the carrying out of those projects that can be worked in a mechanized fashion for the people's farms in the non-cooperativized regions.

The work performed by the agricultural mechanization stations on the people's farms in the non-cooperativized regions will be paid for in cash on the basis of rates correlated with the production costs.

Article 40. - Self-propelled clam-shell buckets for transporting green fodder, crib-trucks for transporting fodder grains, specialized vehicles for transporting day-old chicks and for transporting fowl to the slaughter house, dump trucks, disinfectant vechiles and other special transport vehicles needed in the field of animal raising are transferred from the specialized transport enterprises for agriculture and the food industry to the state agricultural units specializing in zootechny that they serve.

Article 41. - The transfer of the assets and liabilities corresponding to the activities that are being accepted by the state agricultural units, together with the related personnel and economic and financial plan indicators, are being done on the basis of agreements concluded between the parties, within 30 days from the date of this decree. The State Planning Committee and the Ministry of Finance, on the basis of the proposals made by the Ministry of Agriculture and the Food Industry, will submit for approval the changes in the unified national plan and the state budget for 1982 stemming from the implementation of the provisions of this decree.

Article 42. - The personnel transferred in the interest of work or moved about within the same unit into a job with lower salary benefit from the rights outlined in Article 21 of Decree No 162/1973 regarding the setting of unified structural norms for economic units.

Article 43. - For the purpose of immediately implementing the provisions of this decree in all agricultural units, the Ministry of Agriculture and the Food Industry, the National Union of Agricultural Production Cooperatives, the county and Bucharest municipal people's councils, the unified state and cooperatist agro-industrial councils and the leaderships of the agricultural units are required to ensure:

a) the organization of a thorough understanding of the provisions of this decree by all mechanized equipment operators, agricultural specialists, cooperative members and other workers who work in agriculture;

b) the discussion of the provisions of this decree in the general assemblies in the state and cooperatist agricultural units and in all workers' collectives;

c) the organization of certain actions to popularize the regulations regarding mechanization activities by posting them at the places of work and using other means of information, as well as those regarding carrying our agricultural work and the responsibilities of the state and cooperatist agricultural organs and all the workers who work in agriculture;

d) the signing of a statement of understanding of the provisions of this decree by the mechanized equipment operators and other workers in the agricultural mechanization stations, the farm chiefs and the agricultural specialists, as well as by the personnel in the general directorates for agriculture and the food industry and the Bank for Agriculture and the Food Industry and any other workers who carry out attributes established under this decree.

The leaderships of the organs and units listed in paragraph one will review the manner in which the popularization and understanding of the provisions of this decree were ensured and are directly responsible for the precise implementation of this decree.

Article 44. - The provisions of this decree go into effect on 10 January 1982.

On that date, Decree No 390/1980 regarding the regulation of relationships between agricultural mechanization stations and agricultural units within the framework of the unified state and cooperatist agro-industrial councils, as well as any other contrary provisions, are abrogated.

[Signed] Nicolae Ceausescu, President of the Socialist Republic of Romania

Bucharest, 7 January 1982, No 4.

Annex

The List of Agricultural Projects and Services Carried Out by the Agricultural Mechanization Stations for the Cooperatist Agricultural Units That Pay on the Basis of a Fixed Rate

1. Harvesting - where payment is made as a percent of production
2. Threshing - where payment is made as a percent of production
3. Raking hay
4. Baling, collecting and stacking
5. Setting silos
6. Grinding fodder
7. Treshing corn
8. Milling
9. Scarifying - (with the exception
10. Breaking-up the soil - of those manage-
11. Clearing land - ment projects listed
12. Reclaiming land - in other projects)
13. Projects in orchards not in use (fruit trees, grapevines, strawberry fields, blackberries, etc.)
14. Work carried out on fodder crops that are not harvested in a mechanized manner
15. Work in hay and straw fields
16. Loading and unloading work
17. Transportation
18. Stationing projects
19. Projects for graders and bulldozers
20. Digging holes
21. Making small dikes
22. Sorting potatoes
23. Spreading chemical fertilizers
24. Technical assistance projects (maintenance, repairs, assembling equipment and installations and so forth).

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FINANCE SECRETARY KOSTIC INTERVIEWED BY STUDENT PAPER

Zagreb STUDENTSKI LIST in Serbo-Croatian 26 Feb 82 pp 6-7

[Interview with Petar Kostic, federal secretary for finance, by Sanja Vrhovec, in Belgrade on approximately 10 February 1982]

[Text] We managed to meet with Comrade Petar Kostic, federal secretary for finance, to our mutual satisfaction 2 weeks ago in Belgrade in his office, Room No 3, in the building of the Federal Executive Council. The conversation lasted 3 hours--unusually long in view of the excessive work load, worry (especially about money) and great responsibility borne by our federal officials. The subject of our interview was accommodating enough to furnish us a number of interesting data and opinions which we are presenting in the pages that follow, in an abridged version, of course.

SL [STUDENTSKI LIST]: Comrade Kostic, how do you assess our financial situation in the light of the most recent datum, if it is accurate, that the payments deficit is only $750 million instead of the predicted $1.8 billion?

P. Kostic: The present economic instability has been manifested most strongly in two areas: in the area of the payments deficit and in the area of inflation, it being understood that they are a synthetic expression of numerous imbalances in the economy of Yugoslavia and that they are merely indicated cumulatively.

In 1979 Yugoslavia had a record deficit in its history, $3.7 billion. We attempted then, regardless of various criticisms, to carry out a single devaluation to augment the competitiveness of the Yugoslav economy and in some fashion to rescue the sector of foreign economic relations. I would not at this point enter into how much we achieved with the devaluation and how much we could have achieved if it had not quickly "melted away." Nevertheless, it is a fact that the payments deficit for 1980 was radically reduced to $2.3 billion. Referring to a program for its complete elimination, we proposed for 1981 a deficit of $1.8 billion.

After the first accounts were summarized at the end of January, the figures showed that the deficit in the balance of payments was $750 million, not $1.8 billion. However, now follow the qualitative analyses. After all, though we cut the planned payments deficit in half because of the surplus of $650 million in the bilateral payments area, in the convertible area we still have a deficit of $1.4 billion instead of the predicted $1.5 billion, and this at the same time is the principal problem in remedying our country's foreign finances. Which means that we have not done enough in this area.

But we can regard the goal of a deficit of $500 million this year as altogether realistic. If there are no unforeseen impacts outside the range of our domestic Yugoslav policy, the deficit ought to be eliminated next year.

Rate of Development: Neither High Nor Low

SL: By how much, then, would we have to augment exports to the convertible area in 1982?

P. Kostic: By 12 percent.

SL: Is that realistic if we take into account that this year we had many difficulties in supplying the domestic market precisely because exports were being pushed?

P. Kostic: It really is difficult to answer that question. On the one hand is the demand for dynamic exports and on the other the low growth rate of industrial and other production and the reduction of imports. The consequences are inevitably felt on the domestic market. Incidentally, I do not share the opinion of those who feel that one of the conditions for stabilizing the economy and the payments deficit is a low growth rate. I think that the growth rate in countries like Yugoslavia cannot as a rule be very high, but neither can it be low, nor can western models--in which recessions are at the same time one of the conditions for stabilization--be applied in our case. Were we to create conditions for a somewhat higher growth rate as a whole, and for industrial production in particular, we would also have better conditions for carrying out policy and for supplying the domestic market.

SL: In 1981 the growth rate of industrial output was 4.2 percent. That is, after all, quite good.

P. Kostic: But now the planned real growth rate of the social product is 2.5 percent and that of industrial output about 3.5 percent.

SL: It is, then, too low?

P. Kostic: Yes. I think that problems could arise because of that in connection with achieving exports, or if we achieve it at the expense of supplying the domestic market. Perhaps it is also a good thing that the growth rate has been planned as it has. However, it should be viewed as the minimum, and we should fight for a higher one.

SL: You have spoken about the deficit in balance of payments which we have reduced quite a bit in the past year, even beyond expectations. You have also mentioned inflation as one of the causes of our economic crisis. Some people say that it is a question of a crisis, some say not. Inflation was 10 percent higher than was planned. Why are we not successfully halting inflation? What is the point of a plan if we cannot carry it out?

P. Kostic: In 1980 we had a rate of inflation of 39.2 percent measured in retail prices. In 1981 the planned rate was 32 percent, and the actual rate 39.3 percent, almost the same as in the previous year. Inflation is an indicator of numerous structural problems of our economy, of the level of labor productivity, of the manner of investment, of the efficiency of investments and of the cost of investment projects, and then of the low level of organization. All of this is incorporated into the price, everything that I have enumerated, and, of course, without hiking up the prices we arrive at the tower marked 39.3 percent.

SL: This year a radical goal has been set: reducing inflation to 15 percent.

P. Kostic: Many are posing the question of whether it is possible to achieve that goal. I say that it can be achieved under certain circumstances and I dare say also that under other circumstances it will not be possible to achieve it.

SL: Would you like to tell us what those circumstances are in which it would be possible to achieve it?

P. Kostic: First, I think that an illusion is being created in the public because of an unfamiliarity with the phenomenon of inflation to the effect that this problem can be solved simply, that this is a question of the political determination of the government and I do not know who else. This kind of simplification goes all the way to reducing inflation to the behavior of entities who supposedly want to earn income through prices rather than through work. That does exist and will in the future. But the problem cannot be solved by preventing that kind of behavior. That is, this is a simplification which is postponing confrontation of the basic causes of inflation.

Reducing Fixed Costs

SL: I have a figure showing that all of 93 percent of the growth of the social product achieved in 1981 occurred because of higher prices.

P. Kostic: And 7 percent because of the qualitative factors in the conduct of economic activity, labor productivity for instance. The question is how an economy can live without producing inflation compared to world inflation when its capacity has not been optimized? Optimization in production is one of the basic conditions for reduction of so-called fixed expenses, for reduction of live labor per unit output. We cannot be competitive with the advanced countries on the basis of economic laws if we have fragmented capacity and twice as much manpower in plants with the same technologies.

For example, in Japan I was in a steel mill which could be compared with one of ours. The Japanese steel mill produces an output several times greater with slightly fewer employees than ours. It is clear that a kilogram of sheet metal from that Japanese mill has to be much cheaper than from ours. After all, it is optimized, it is highly organized, but it is not, I emphasize, on a higher technological level.

SL: We usually use the excuse of a shortage of up-to-date equipment.

P. Kostic: Our equipment is inferior in certain sectors. But in recent years we have imported a very large amount of up-to-date equipment, especially in certain sectors. This is Question a. Question b is what use are we making of that equipment? Recently people have been asking me whether I am an optimist or a pessimist with respect to the economic situation. First, optimism and pessimism are not economic categories at all, but I could say that I am an optimist on the basis of the capacity we possess by contrast with the way in which we are using it and the way we are overcoming idleness. Often the attack on idleness becomes in certain heads an attack on the right to self-management. As though idleness were a part of the ideology of self-management; as if it were right to come to work when ... [garbled sentence] ... out of a desire for the rights of self-management.

So, the organization of work should be given more respect even as a science if we want one day to be a country with a convertible currency, if we want to be competitive. We have to realize that the organization of work is one of the essential conditions for the good functioning of enterprises as a system, rather than for the organization of work to be discussed as some category which is incompatible with self-management, which is stupid. A self-managing society must in its development be a highly organized society on the foundations of self-management. Any absence of good organization is a compromise of self-management. I would like to point out those basic factors which have been objectively involved in the occurrence of inflation because of the hiking up of prices. However, there are also other reasons. For example, relative to our material capabilities, we have an extremely expensive social infrastructure, against which we are waging either frontal warfare in which no one will lose a hair on his head, or again we are waging guerrilla warfare in which the victim is whoever happens to be on the road.

The Burden in the Form of the Complex of Parasitism

Government and social service expenditure are something which must be in definite proportion to the capabilities which a society has. Government and social service expenditure includes national defense and elementary schools and secondary schools and the universities and the sciences. A global attack on government and social service expenditure is an attack on all those categories, indeed proscription of things which society cannot do without, things which are a precondition for progress. What, then, is the right policy--affirmation of government and social service expenditure and of categories which use earmarked funds on that basis, but at the same time to bring this into line with the country's capabilities. I ask you, how would you feel as a physician or professor or teacher with a low salary if it is constantly said and published in the newspapers that someone is supporting you?

On what basis are you not a participant in creating income if you are a sociologist or a physician, and so on, but are only a consumer? That is how, objectively speaking, you become burdened with the complex of parasitism. And the one rendering services is completely equal in the earning of income to the one who is actually operating a machine. One of the conditions for reducing inflation is to relieve the burden on the economy. And that means bringing government and social service expenditure into line with the capabilities of society, reducing expenditures, creating more material room in the economy for absorbing domestic and foreign inputs to the cost price without passing them on, at this point I must really use economic terms, first to cost inflation and then to price inflation. Now the following question imposes itself: If I say that the causes of inflation are complex, related to the quality of investment projects, to the efficiency of investments, to the division of labor, to the utilization of capacity, to the fight against idleness, to affirmation of those who work, how, then, will we reduce it to only 15 percent in a year? I think that we will have to make use of the entire arsenal of economic measures.

SN: Probably, since many OUR's [organization of associated labor] called for price increases of 30 percent even during January.

P. Kostic: And that is why restriction must be an auxiliary weapon. No society, not even a society much stronger in material terms than ours, can eliminate inflation in a short period of time. Nor can we achieve our goals concerning the balance of payments if inflation is higher than 15 percent. We have no choice, then, unless we want the entire "edifice" of the results of stabilization to begin to shake once again.

SN: Though such rigorous restrictive measures may prove to be very bad ones in the long run?

P. Kostic: Yes, whenever, and that in our case has been rather frequently, restrictive measures are used to get rid of problems and when we harbor the illusion that we have solved matters, then they are truly dangerous. They act like a soccer ball when you press it down with your foot, and then when you release it, it jumps high in the air. However, if restrictive measures are used as an interval in which intensive and creative work is done on the real measures which will replace the restrictive ones, then that does not occur. Inflation is something around which the entire policy of stabilization pivots. The basic problems of higher productivity, competitiveness, etc., cannot be resolved by any emergency measures, nor by political activism. We have to have a market economy and competition. That is a condition of stabilization. After all, without competition it is not possible to initiate an entire wave of economic behavior in the economy. We have to insist on opening up our economy as soon as possible to the blows of foreign competition, and that means to the blows of an economy which has higher labor productivity, which will "threaten" our economy and thereby drive it to investments that are more efficient, to division of labor, and so on.

SN: How much would the joint Yugoslav foreign exchange market help in this situation, that market which for all practical purposes does not exist? Why do we not have it?

P. Kostic: We do not have identical views on the reasons why the foreign exchange market ceased to operate nor about the model for normalizing its operation once again. There are various reasons. One is that there is a lack of foreign exchange, but that is not true. Every deficit in the balance of payments is covered by the country's indebtedness abroad and balance is restored only not by our exports and inflow.

Where Does the Working Group Go

I feel that normalization of the operation of the foreign exchange market is closely bound up with the necessary amendments in the Law on Foreign Exchange Transactions and Relations With Foreign Countries. Without clarification of how it occurred and whether it occurred at the right time that the payments-balance positions and exchange-balance positions of the republics and provinces have been transformed into the balance of payments and exchange balances of the republics and provinces, I do not see the conditions for normalization of the operation of the foreign exchange market. In the fall of 1980 I was a member of the working group which was supposed to prepare an analysis of enforcement of the Law on Foreign Exchange Transactions, which regulates the subject matter of foreign economic relations. The material was taken under consideration in May 1981 in a meeting of all three federal councils on Brioni. However, disagreements arose over the proposal of the working group, and it was resolved that proposals would be prepared on supplements and amendments of the foreign exchange system in several versions and that during the fall this material would be taken up in a meeting of the federal councils. After a very democratic discussion this material was thoroughly prepared. Work was done on it by comrades from the republics and provinces, and then the vice chairman of the Federal Executive Council responsible for foreign economic relations, the federal secretary for finance, the federal secretary for foreign trade, the governor of the Yugoslav National Bank, the president of the Economic Chamber of Yugoslavia, and so on. It was never explained to me as a member of the group why that meeting of the federal councils scheduled for the fall never took place. In the meantime other groups were formed, and work continued in some other place.

SI: Is it not possible for this question to be put and for you to learn what was the fate of your work?

P. Kostic: It was agreed in May that this topic would not be discussed in public. Even today I do not want to get into the heart of the subject matter, since I respect that agreement, but as the federal secretary for finance I today am no longer a member of even one group which is working on these problems.

SI: And the commission for stabilization?

P. Kostic: Yes, they summon me to almost every meeting. That commission is mindful not only of having a large number of members present, but also of having ideas present, every opinion can be presented.

SL: Now that we are discussing the work of that commission, we have read that it is supposed to present a detailed stabilization program before the middle of this year. What progress are you making in that?

P. Kostic: I am not up to date on all the work of the commission and its subgroups. I think that a public discussion is indispensable, that until then things will be bottled up unless there is a public debate, since only the public can judge devotion to principle or the lack of it, knowledge, ignorance, the group-ownership view or the view of the thing that represents the entire society. And second, when a man must participate publicly in a democratic debate, deprived of the halo of his office, when he must communicate solely on the basis of the validity of arguments, then he must also be more responsible and creative.

Extreme Limit of Stability

SL: It is well known that today there is not a single developing country that can get along without what is referred to as deficit development based on credit. However, up to what limit dare a country contract indebtedness without this causing large problems and disproportions in its development?

P. Kostic: The basic question of indebtedness is where and how the money is invested. For example, a country may have a higher debt, but if it has used that money to build production capacity capable of export and has thereby enhanced the solvency of the economy, the size of the debt is not a problem.

The worst version is when credits are used to improve the standard of living, for final consumption, and the best is when it is invested in equipment. That means at one and the same level of the debt Yugoslavia could be overindebted or it need not be. There are certain other criteria which are related to the International Monetary Fund. The essential thing is the degree of indebtedness, not the absolute size of the debt. The degree of indebtedness is the percentage of the inflow of foreign exchange in 1 year which we must use to repay principal and interest on medium-term and long-term credits. The most important thing, then, is not how much a man owes, but how much he must take out of his monthly salary to repay consumer credit. In other words, you can borrow 1 million new dinars if someone has lent it to you for 50 years at 2-percent interest, but you cannot borrow even 100,000 for 6 months at a rate of 10 percent. It is felt that a level of indebtedness of 25 percent reflects a situation of stability (the Monetary Fund). On the basis of that criterion, if we take the figures of the Federal Fund for the Plan as of 31 December 1981, our country had medium-term and long-term credits in the amount of about $18.3 billion, of which about $16.8 billion were with the convertible area, and the level of indebtedness to the convertible area was between 23 and 24 percent. It should be taken into account that this amount is reduced by the amount of credit which Yugoslavia has granted to other countries. Incidentally, our indebtedness is as unwise as we are unwise on the average. The quality of our attitude toward economic policy as a whole has been manifested in the area of indebtedness.

SL: What does that mean, and how is one to prevent this unwiseness?

P. Kostic: It is thought by some that this should be done by conclusion of an agreement among the republics in the sense of a redistribution of the volume of the country's debt agreed on in advance. It is certain that this is a good direction in that it defines the strategic limits which cannot be passed. However, this becomes a bad thing at the point when a statist distribution is made among the republics, when functions are appropriated which under the constitution and the Law on Associated Labor belong to associated labor. If, then, we accept certain strategic limits as a necessity, why should I, who am not able to borrow like a factory, hinder someone else who is able to borrow in repaying the credits himself, in providing the inflow of foreign exchange for further development and in also discharging the obligations which he has to society? The statist distribution of the right to borrow, which is passed on to SIZ's [self-managing community of interest] for foreign economic relations, and which in turn carry out a further distribution of the right to borrow to OUR's, not only constitutes an expropriation of the rights to self-management of the OUR in its basic development functions, but it is also an economic mistake which makes borrowing a right, but displaces the repayment obligation as a category. It thereby detracts from responsibility toward the investment of foreign capital, since borrowing is nothing other than borrowing foreign capital to speed up development. For example, I know that Rade Koncar was capable of developing faster if it had not been surrounded by the SIZ methods of redistributing borrowing. However, in that system there must also be regulation of reciprocity, not solidarity, with the underdeveloped. On the basis of mutual interests we should also assume the obligations of others who are unable to discharge them because of their underdevelopment.

The Agreements on Petroleum Have Not Been Adequate

SL: Why do many people feel that data should not be published on our country's economic operation? Who might this hurt?

P. Kostic: I am also under attack because I make data public. However, I am surprised that this is done by people who know quite well that orderly figures are kept on this in international financial institutions. When the world knows, that means that we are concealing the data from ourselves. If we are concealing them, we are creating suspicion and distrust, but actually we have nothing to hide.

SL: You spoke about conclusion of agreements among the republics. One of the major problems is petroleum. What do you think about the agreement for every OUR to set aside the same percentage of foreign exchange in an account in the National Bank for the purchase of petroleum?

P. Kostic: It was high time that the Federal Executive Council relieved itself of being preoccupied every day with petroleum.

SL: Yes, but just before the end of last year officials of the Federal Executive Council announced that next year we must ensure the importation of petroleum on a continuous basis. No sooner did 1982 begin, than the Rijeka refinery shut down. It seems that we will still have to be concerned with this set of problems.

P. Kostic: In December 1980 we adopted definite agreements on the petroleum question, and I thought at the time, obviously mistakenly, that this subject matter had been altogether settled. This was an agreement on reproduction which incorporated priorities related to the allocation of funds by the republics and provinces for petroleum. An agreement was adopted on foreign economic relations, and then on the projection of the unified balance of payments of Yugoslavia and the projection of the unified exchange balance of Yugoslavia, the projection of the payments-balance positions of the republics and provinces. And then a whole series of self-management accords between the petroleum industry and areas of consumption, and also the petroleum industry's own self-management accord on joint efforts abroad with respect to purchasing petroleum, and so on. There are, then, some 10 or so documents, many of which were signed by the Federal Executive Council and by the republics and provinces and verified by the SFRY Assembly. However, the funds have not been allocated. We have had to be concerned with every tanker from meeting to meeting. Since we do not have a foreign exchange market, and mindful that we nevertheless cannot spend our whole time in a tug-of-war over petroleum, and that we must provide a more lasting solution to the problem for a year at least, we proposed the Law on Petroleum which you mentioned. An agreement was not reached through the regular procedure, but that law was passed as a temporary measure with the support of the SFRY State Presidency. And that law is also being poorly enforced at present.

Our Duties Are (Almost) Like Those in America

SL: Let us pass on to a popular topic--the new customs regulations which allow goods worth up to 200 dinars to be brought in without duty. What were the reasons for their enactment, and have the expected results been achieved?

P. Kostic: Actually we have had great liberalism with respect to bringing goods in from abroad. We have not, for example, even respected the previous limit of collecting duty on everything worth over 1,500 dinars. And now we have lowered the limit to 200 dinars and have begun to enforce the regulations rigorously, which is still more important. After all, even before it acted as a disincentive against foreign shopping trips to collect duty on everything worth more than 1,500 dinars.

SL: Why, then, did we not merely tighten control with the old limit?

P. Kostic: For a year we sought a solution which would be less painful to individuals and would act as a disincentive against the massive outflow of dinars from the country. We felt that a deposit would meet our needs. For example, on leaving the country you post a deposit of 1,500 or 2,000 dinars, without interest, for a year or 18 months, which is returned to you after that period. However, the lawyers persuaded us that there is no constitutional basis for the deposit. As for the effect of the measure which is now in effect, the number of exits has been dropping rapidly, but it will be possible to evaluate the true effects only in a few months, since the measure was adopted at a time when the number of exits was dropping anyway. This was not kindly received by our people, since we have been lax and have been living somewhat beyond our means. America, for example, is a country with which we cannot be compared in economic terms, but they collect duty on everything worth more than $100.

SL: But in their case, for example, there are no shortages of certain vital products.

P. Kostic: True, that is a delicate matter for individuals. There is a shortage in the country, and customs regulations are strict at the border. But would the consequences be for our society if there were an avalanche of dinars returning to the country instead of foreign exchange?

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PUBLIC LAND, BUILDINGS APPROPRIATED FOR PRIVATE USE

Zagreb VJESNIK in Serbo-Croatian 14 Mar 82 p 4

[Article by Franjo Kiseljak: "It Is Not After All the Milky Way"]

[Text] So, even that is possible, though it does not fall within the domain of common sense: immovables owned by society are more mobile than movables.

Everyone would say that it is the other way about, that movable property is more mobile. Yet that is not the case. Let us listen to the advocates of better preservation of public property. "Real estate slips around the first corner more easily, and from there becomes irrecoverable private property." Improbable, but the truth. A single question is enough to clear up for all practical purposes this topsy-turvy "movable-immovable" riddle. What do you think, what would happen to an individual who under cover of dark removed the wheels from the car of some opstina official, and what would happen to a "lover" of real estate, someone who appropriates an incomparably greater value in the form, say, of public land for a private house or to build a "vacation cottage"?

In the debates in the Croatian Assembly last week it was stated that there are opstinas in Croatia where it is dangerous to "steal" a chair from the building of the opstina assembly, considerably more dangerous than the unauthorized possession of several acres of public land. How is it that immovables which are public property are so low on the list of social concerns that individuals are rushing into public property as though it were the Milky Way, something infinite like the universe, which can be stretched as far as you like?

Acquisitive Instincts

The Commission of the Croatian Assembly for Public Oversight came before the chambers of the assembly more than 2 years ago, after a strenuous gathering of abundant "material," with a kind of White Book concerning all the possible forms of privatistic seizure of public property, above all public real estate. The spokesmen were seriously disturbed at that time by the extent and speed with which public land, buildings and apartments were melting in the hot coals of private appropriation. It was established at that time that usurpers actually had an essentially easier time because careless and extremely incomplete records are kept on public real estate. Any publicly owned buildings, whose completion was marked by a cutting of a ceremonial ribbon and the delivery of suitable speeches, simply do not exist in the land records. It is still more difficult with old buildings whose actual status has not been recorded. Much the same is the case with public land which has not been entered into the books properly. This is no one's land, and it is no wonder that individuals emerge with strong "acquisitive" instincts. It does not occur to some people to use various "adaptations" when they move into a larger apartment. What difference does it make to them if "adaptation" is cheaper? It has been unambiguously established that there are a certain number of apartments built at one time by sociopolitical communities and then turned over for management to the housing enterprises of that time. When the housing enterprises were dissolved, the apartments were turned over to SIZ's [self-managing community of interest], and then all trace is lost of them. When such apartments become empty, they are not filled by the sociopolitical communities which built them with budget funds for people in various agencies, but this is done by the SIZ's.

The spokesmen were particularly disturbed by the appropriation of the coast, especially that part which is described as a "maritime resource." At that time the two chambers of the assembly honored the findings and warnings of the Commission for Public Oversight. At the urging of the commission the chambers in fact adopted some 15 resolutions. They were signed by Jure Bilic, Ivo Vrhovec and Nikola Segota. The resolutions were written in such a way that it was quite evident whom they were sent to for execution and what purpose they were supposed to achieve. The resolutions were not supposed to make the waves caused by a hurricane, but to activate the entire area of social concern for public property by first of all establishing precise records on all the things that are public. In other words, without records there cannot be any proper or lasting protection.

The Conclusions Were Concluded

Nearly 2 years have passed since the resolutions of the assembly were sent out all over Croatia, to organizations, to opstina and republic agencies, to bodies of self-management. When the Commission for Public Oversight attempted last week to add up the results of the 2 years of application, it unfortunately had to conclude that all the fruits could easily fit into one apron.

Something was done, but the collectors of public property were also "at work." Recently there has been a particular growth of the strain of "newly converted" farmers who are renting public land, figuring in an unusual dual role as both cooperators and as key officials in the same work organization. One stops dead in the face of the geometric perfection of the network of "cooperation with oneself," before a web in which tiny members of Hymenoptera are caught, all by the law of the spider's skill.

No one is against key officials tilling the land in the afternoon after they have done their officiating. We need every sack of grain, every bud on the grape vine, every basket of vegetables, regardless of origin. Food is a point of support for stabilization when there is enough for domestic needs, and it is a real trump in development if something is left over to export.

What happens, however, if the grape vine of cooperation becomes a source of profiteering "parasites," if the "cooperation" takes place on the best public farmland, with priority in the use of the combine's machinery, fertilizer and fuel? What if it is a case of upset priorities; if "cooperation" with oneself is done first, and then comes the combine and finally, at the end, if it comes at all, that ordinary cooperator?

The Bait for "Backing"

The Commission for Public Oversight of the assembly has not gone very far in the recent cases of cooperation in large combines. It had quite enough to do trying to find out who had kept the resolutions on his desk and who had put them in the drawer. Meanwhile, the commission unanimously agreed with the frank statement made by Pero Car, a member of the Presidium of SR Croatia, who proved with documentation in the debate that the "cooperative" fad is not harmless in the least, that in certain cases it is in fact a muriatic acid which is eating away social relations along the main seams. The trouble is not simply that the big operators have rented public land to "take advantage" of privileges the small cooperators could not even dream of. The trouble is compounded by the fact that the large cooperators, in order to cover up their dirty dealing, are bringing individuals into the game who might have objected to the stretching out of public property. Give the rebel a few hectares, and he will keep quiet, too.

Certainly many people do not take the line on which a privilege has been placed instead of a worm. They are not all silent, but that earns them their portion of chicanery. For instance, the people in the bookkeeping department who might utter some embarrassing figure or datum, are moved as a precautionary measure to certain other jobs, somewhere where there are no numbers. The stretching out of public property should not take place without a stretching out of human destinies.

The Commission for Public Oversight understands the reasons, but does not justify the excuses given by the bodies and organizations called upon, right up through the Executive Council of the Croatian Assembly, for not having been much concerned with the resolutions of the assembly. It is true that the circumstances did impose other concerns and other jobs (raw materials, energy, production and export), but that still is not a reason for protection of public property to be left in the background. The consequences of the rush for public property are not harmless. In a meeting last week they were compared with those which the strategists of "special warfare" toward our country could only dream about.

Make the Effort and--Persist

The Commission for Public Oversight has also taken its position on the "advice" which is coming from various places. It recalls that elections are coming, and that it would not be convenient right now for the alarm bell to be rung on the usurpers. Actually, the elections have nothing at all to do with the usurpations, except one thing: the names of those individuals who have "set their sights" on public property cannot appear on the ballot--as has been established in the agreement on personnel policy. Valent Huzjak, chairman of the Commission for Public Oversight, has publicly described the reasons why certain voices in the atmosphere before the elections have said that the proceedings begun against usurpers should be suspended for a short time--as ordinary lies.

If the entire society and its agencies and organizations are resolute, there will be a growing disposition to unanimously oppose those things which damage and squander the basic values of society. All of this will soon be debated by the two chambers of the assembly--the Sociopolitical Chamber and the Chamber of Opstinas--signatories of those resolutions 2 years ago, which have lost nothing of their value and importance because of the upcoming change of delegates. The new delegates will have an easier job if the effort is continued in the furrow that has already been well cut. It already means a great deal to future action to realize that any relaxation, even the slightest, when it comes to protecting public property, especially real estate, throws the plow out of the furrow. What is needed, then, is to make the effort and persist--that is the message from the people in the assembly's Commission for Public Oversight.

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